

## InnoTek’s FY’23 Net Profit Increases to S\$4.4 Million on Higher Revenue and GP Margin; Proposes First and Final Dividend of 2.0 Singapore Cents Per Share

S\$’000	2H’23	2H’22	Change %	FY’23	FY’22	Change %
<b>Revenue</b>	112,699	102,314	10.2	205,560	186,755	10.1
<b>Gross Profit</b>	17,298	15,631	10.7	32,957	27,190	21.2
<b>Gross Profit Margin (%)</b>	15.3	15.3	–	16.0	14.6	1.4 ppt*
<b>Income Tax Credit / (Expenses)</b>	(1,315)	(91)	1,345.1	(2,020)	(114)	1,671.9
<b>Net Profit</b>	1,252	3,922	(68.1)	4,358	2,254	93.3
<b>Earnings Per Share (Singapore cents)</b>	0.39	1.70	(77.1)	1.88	0.98	91.8

\* ppt denotes percentage points

**SINGAPORE, 29 February 2024** – SGX Mainboard-listed **InnoTek Limited** (“InnoTek” or the “Group”) said today net profit for the year ended 31 December 2023 (“FY’23”) increased to S\$4.4 million from S\$2.3 million in FY’22 on the back of higher revenue. It has proposed a first and final dividend of 2.0 Singapore cents per share to mark its eighth consecutive year of profitability.

The higher net profit was driven by a 10.1% increase in FY’23 revenue to S\$205.6 million from S\$186.8 million a year ago. For the six months ended 31 December 2023 (“2H’23”), revenue rose 10.2% to S\$112.7 million from S\$102.3 million in 2H’22, lifted by higher sales from the automotive and TV/Display segments and new projects in emerging industries such as GPU servers used for Artificial Intelligence (“AI”), gaming machines, medical equipment, and financial equipment.

Turnover from the Auto segment rose on the back of higher demand for tooling and EV battery components amid an increasing prevalence of electric vehicles (“EVs”) in China, as well as a recovery in overseas markets.

The increase in topline was partially offset by lower sales in the Office Automation (“OA”) segment, amid softer customer demands as companies continued to relocate production from China to Southeast Asia.

FY’23 gross profit increased 21.2% year-on-year to S\$33.0 million (FY’22: S\$27.2 million), outpacing revenue growth, as the Group achieved lower scrap and rework rate amid improved operational efficiency, while costs related to raw materials such as steel and aluminium declined as early pandemic challenges eased.

Gross profit margin for FY’23 rose to 16.0% from 14.6% in FY’22, while 2H’23 gross profit margin remained consistent at 15.3% compared to 2H’22.

The higher topline and improved margins lifted the Group's FY'23 net profit to S\$4.4 million, a 93.3% increase from S\$2.3 million a year ago. The increase was partially offset by start-up costs from its 70%-held subsidiary in Vietnam, higher income tax expenses, and a S\$1.4 million impairment loss on a subsidiary in China. Excluding the impairment, net profit would have been S\$5.8 million.

Earnings per share for FY'23 for the precision metal components manufacturer rose to 1.88 Singapore cents (FY'22: 0.98 Singapore cents). Net asset value per share stood at 74.9 Singapore cents as at 31 December 2023, compared to 76.4 Singapore cents a year ago.

The Group maintains an optimistic outlook as it moves up the value chain and executes projects secured in its new-field business. Having established strategic partnerships with customers in emerging industries, the Group expects higher production for these businesses to contribute to FY'24 performance.

With the Auto segment expected to face short-term volatility amid the shift towards EVs, the Group is adjusting its product range to cater to international customers and will leverage its precision stamping expertise to seize new opportunities in the EV and EV battery sectors.

In the OA segment, the Group will build on new projects and higher order volumes secured during the year under review, and proactively engage key customers even as they continue to relocate their manufacturing footprint out of China.

InnoTek's key TV/Display customers are expected to maintain their market leadership in the high-end TV segment, buffering against short-term challenges faced by European and U.S. customers. The Group continues to improve technical capabilities while maintaining a low-cost structure so as to ensure long-term business sustainability.

The Group has also been actively increasing capacity at its facility in Rayong, Thailand, paving the way for new OA orders and marking a new phase of mass production.

InnoTek's facility in Bac Ninh, Vietnam, has commenced mass production of TV bezels since 2H'23. To align with the product strategies of its main customers, the Group is investing in new manufacturing capabilities for its 70%-held subsidiary in Vietnam. Having recorded a promising performance in FY'23, it expects business momentum to accelerate in FY'24.

Mr Lou Yiliang, CEO of InnoTek, said "We marked our eighth consecutive year of profitability with a higher top and bottom line and better margins. This performance underscores the success of our strategies to respond to the challenging environment. To thank our shareholders, the Directors have proposed a first and dividend of 2.0 Singapore cents per share for FY'23."

"We remain focused on accelerating our diversification while enhancing our core values of QCDS (quality, cost delivery, and service). Our robust balance sheet will fund our growth

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strategies while enabling us to remain nimble amid uncertainties in the operating environment.”

**## End of Release ##**

**About InnoTek Limited**

Singapore Exchange Mainboard-listed InnoTek Limited is a precision metal components manufacturer serving the consumer electronics, office automation and automotive industries. With five manufacturing facilities in the PRC, one facility in Rayong, Thailand, and two facilities in Vietnam, the Group’s wholly owned subsidiary, Mansfield Manufacturing Company Limited, provides precision metal stamping, commercial tool and die fabrications and precision machining works to a strong and diversified base of international end-customers.

For more information, visit: [www.innotek.com.sg](http://www.innotek.com.sg)

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