INNOTEK

Steady Growth Through Innovation

INNOTEK LIMITED

26th Annual General Meeting

28 April 2022

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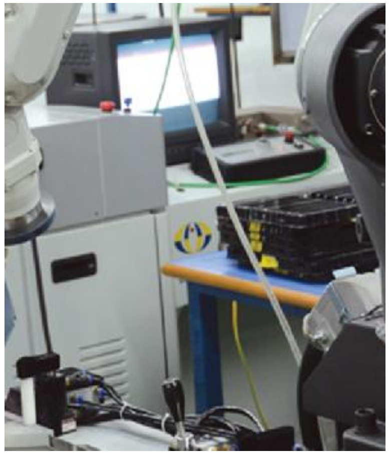
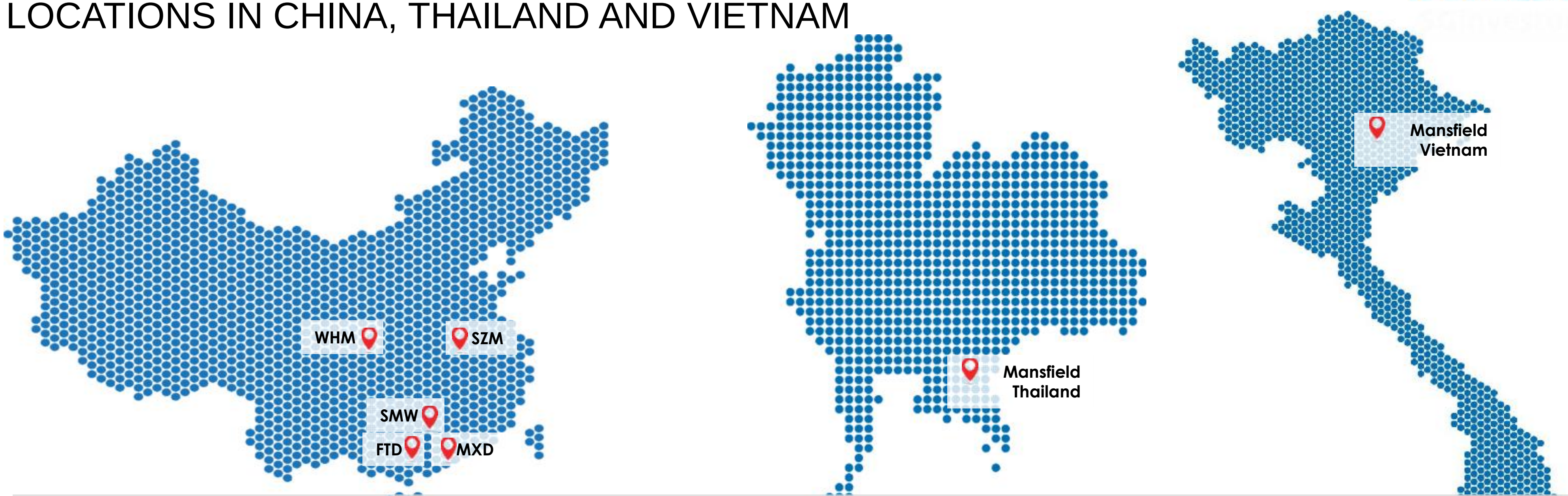


Corporate Background

Corporate Background

LOCATIONS IN CHINA, THAILAND AND VIETNAM



- **Primarily run by wholly-owned Mansfield Manufacturing Company Limited (“MSF”)**
- **MSF is a precision metal components manufacturer serving 3 industries**
  - Office Automation
  - Automotive
  - TV and Display
- **For the provision of the following**
  - Precision Metal Stamping
  - Tools and Die design and fabrications
  - Precision Machining
- **Strong and diversified International customers**
- **New operation established in Hanoi, Vietnam**

Operational & Financial Highlights

Operational Highlights

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1. Turnover for Auto products grew 20.4%, despite supply chain disruptions and global semiconductor shortage hampering growth
2. OA business segment saw a gradual recovery, increasing revenue by 6.1% but was affected by shortage of chips and electronic components
3. Lower revenue from TV/Display products, as the Group exited from production of TV back panels, offset by higher sales of larger-sized TV bezels over 65 inches
4. Newly-established facility in Vietnam in August 2021 has received initial orders, and mass production has commenced
5. Established long-term partnership with several customers in emerging industries such as medical devices, 5G servers, gaming machines and semiconductors

Financial Highlights

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S$'000	FY'21	FY'20	Change %
Revenue	173,580	183,192	(5.2)
Gross Profit	33,687	45,006	(25.1)
Gross Profit Margin (%)	19.4	24.6	(5.2) ppt
Profit before Tax	9,474	19,224	(50.7)
Income Tax Expense	2,035	(5,356)	NM
Net Profit	11,509	13,868	(17.0)
Earnings Per Share (Singapore Cents)	5.04	6.13	(17.8)

Financial Highlights

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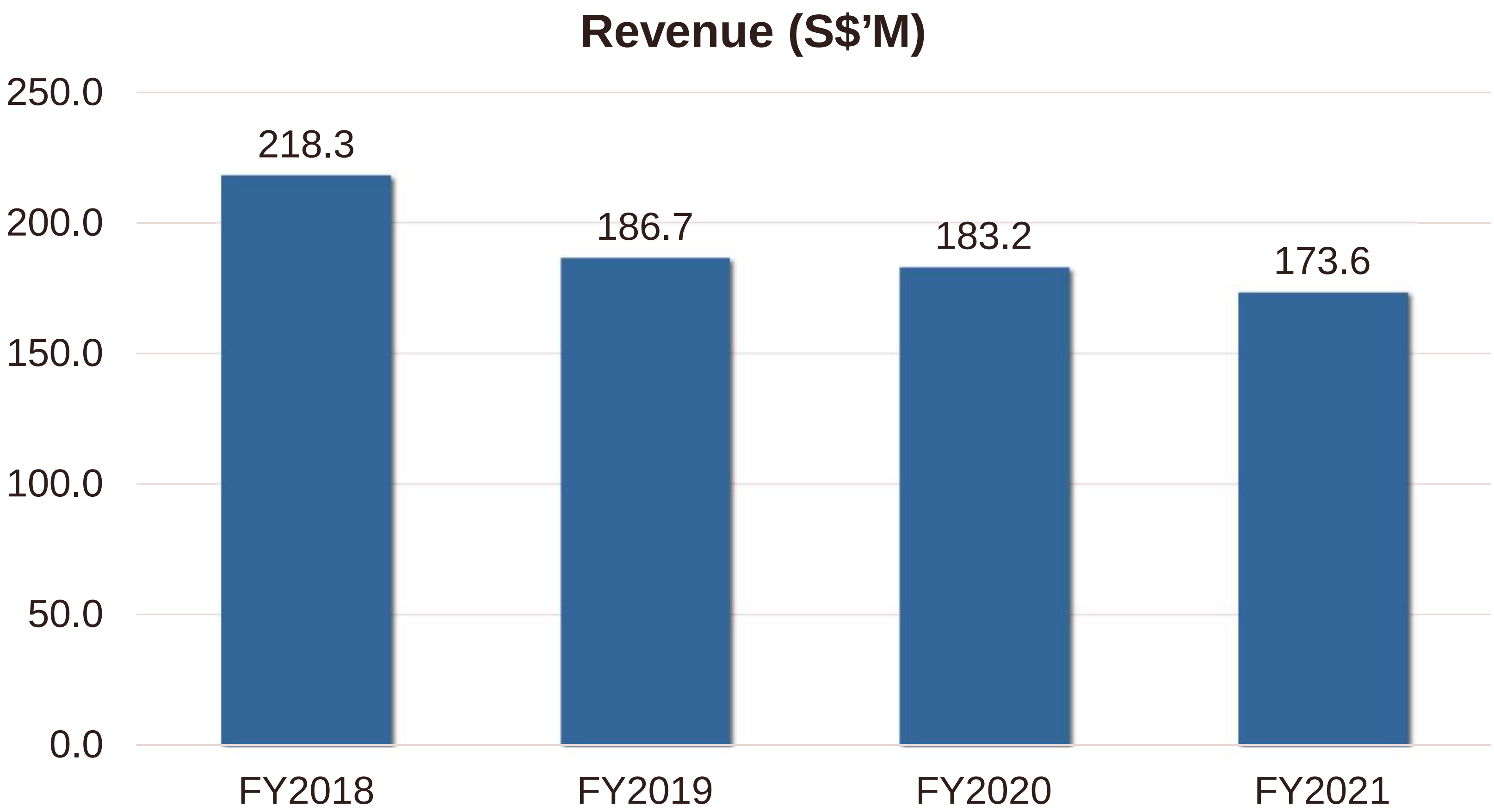
- FY2021 revenue amounted to S$173.6 million, a 5.2% decline year-on-year, mainly due to lower revenue contribution from TV/Display segment
- Gross Profit for FY2021 stood at S$33.7 million, 25.1% lower than S$45.0 million a year ago
- FY2021 Gross Profit Margin declined to 19.4% from 24.6% a year ago, amid lower sales and higher costs for raw materials, labour and logistic
- Net Profit declined 17.0% to S$11.5 million as a result of slowdown in 2H'21
- Income Tax Credit of S$2.0 million, compared to tax expense of S$5.4 million a year ago, due to a more favourable tax rate, deferred tax recognised for unused tax losses, as well as reversal of provisions due to government incentives
- Proposed dividend of 2.0 Singapore cents per share for FY2021 despite challenges from the pandemic

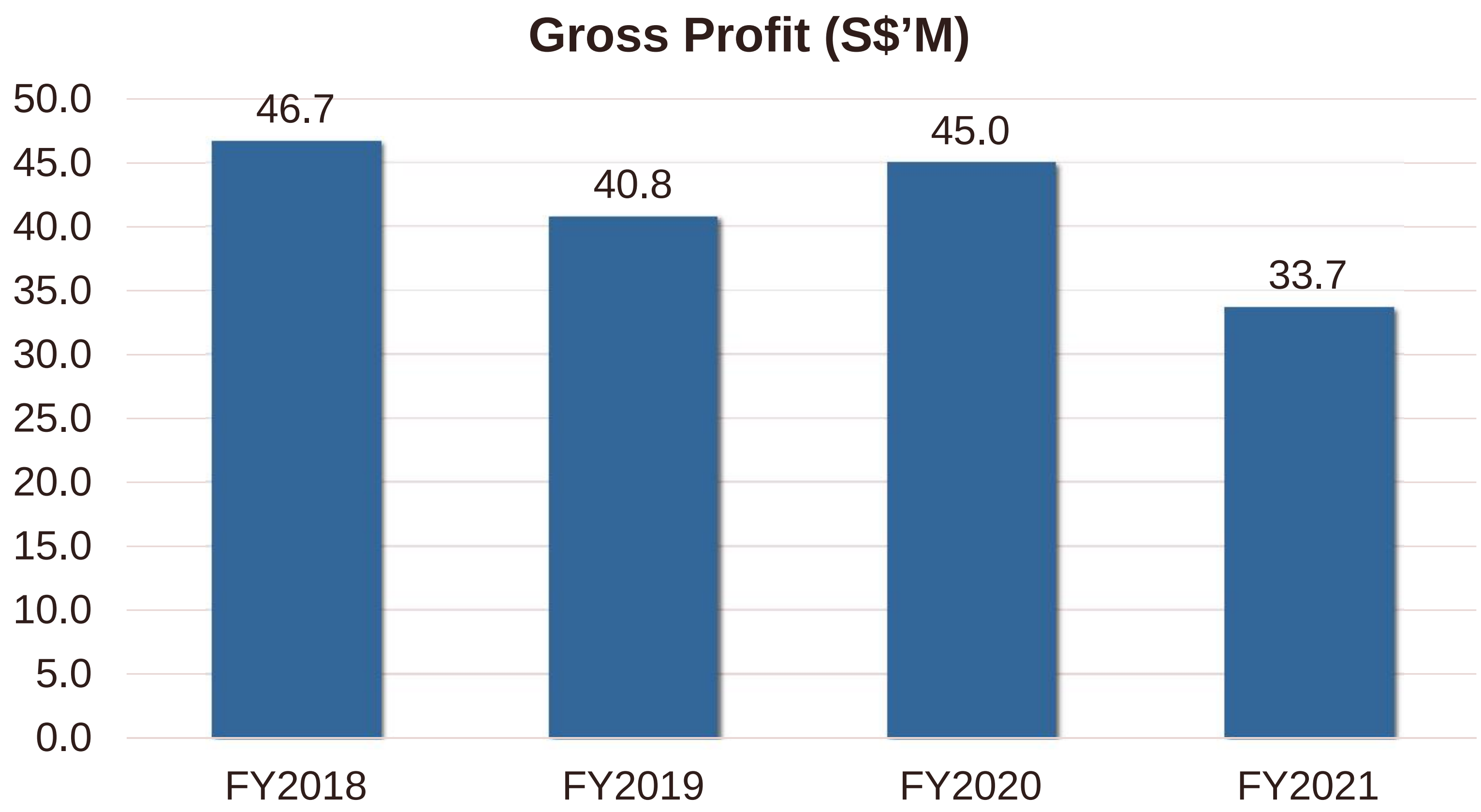
Financial Highlights

Revenue Yearly Trends



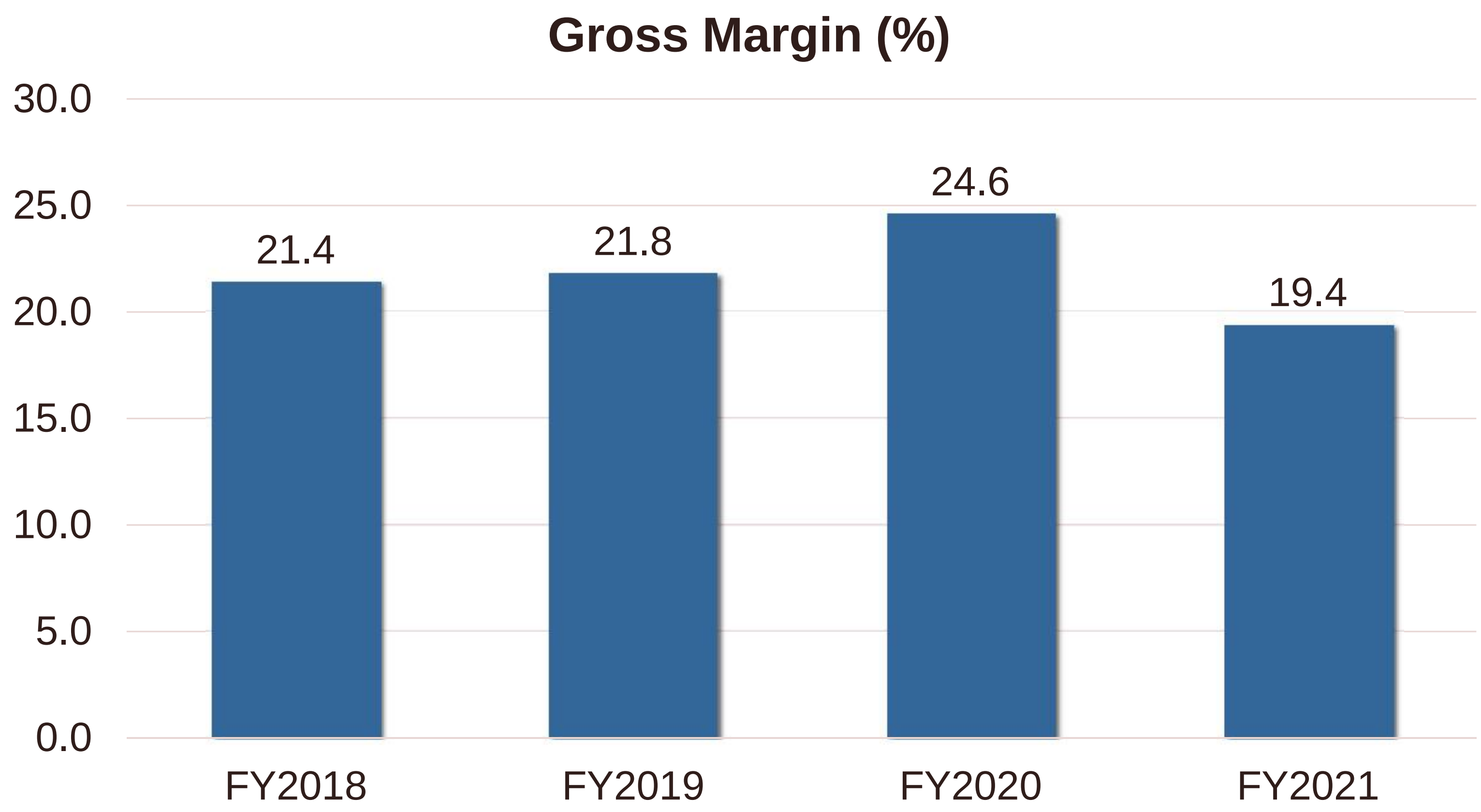
Financial Highlights

Gross Profit Yearly Trends



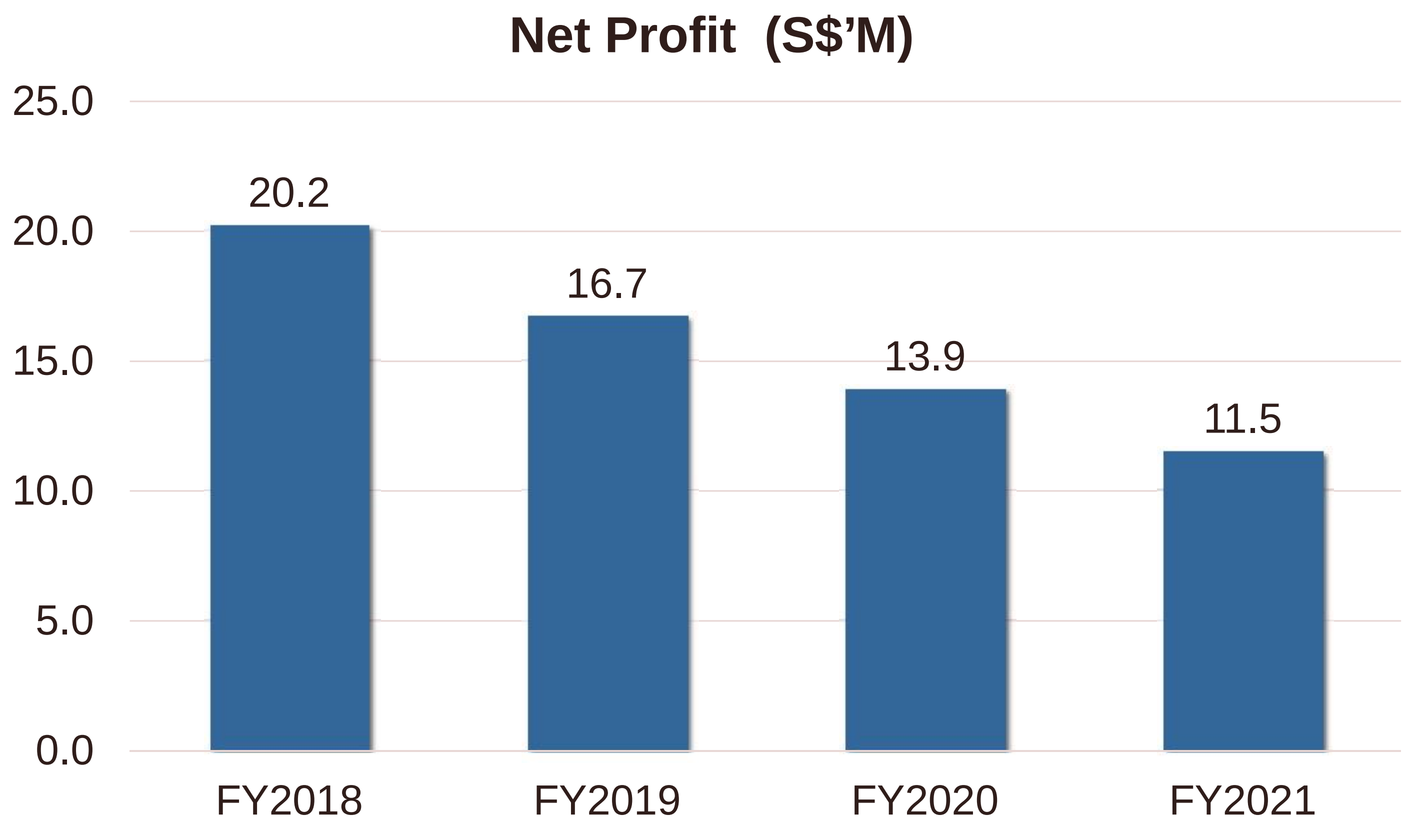
Financial Highlights

Gross Margin Yearly Trends



Financial Highlights

Net Profit Yearly Trends



Balance Sheet Highlights

FY2021

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S$M	31/12/21	31/12/2020	Change %
Cash, Bank Deposit and Investments	90.7	91.8	-1.2%
Total Assets	267.0	265.8	0.5%
Total Borrowings (including lease rental liabilities)	23.9	23.4	2.1%
Shareholders' Funds	189.8	177.9	6.7%
Net Asset Value/share (cents)	83.9	78.6	6.7%

Revenue by Products

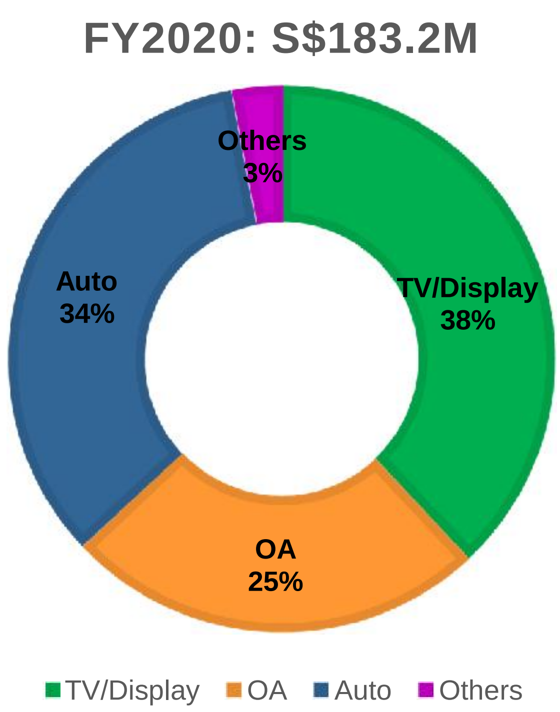
FY2021 vs FY2020

TV & Display
Lower revenue due to exit from TV back panels, offset by higher sales of larger-sized TV bezels

Automotive
Higher revenue driven by resumption of projects and easing of logistics backlog

Office Automation (OA)
OA sector saw a gradual recovery from earlier impact of the pandemic

Others
The Group expects to recognise revenue from new businesses such as medical equipment and gaming machines in FY2022



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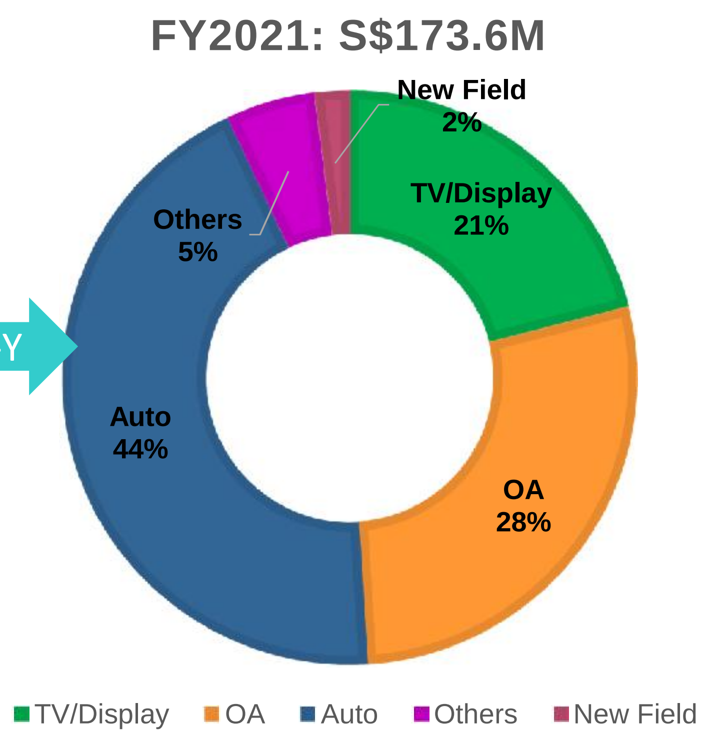

Stock Data (as of 27 April 2022)

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Share Data	
Total Number of Shares	228,305,000 shares
Treasury Shares	18,351,000 shares (~8.0% of total shares)

Outlook

Corporate Outlook by Sector

Automotive

- China's automobile sales volume impacted by chip shortage which is expected to improve late 2022
- EV adoption will continue to lead growth, with 3.5 million units sold in 2021 and an estimated 5.0 million EVs to be sold in 2022
- InnoTek strengthening its partnership with customers in China, Europe, Japan and America with special focus on EVs

TV and Display

- Strong demand for home entertainment in 2020 has waned, as stay-at-home restriction have eased
- InnoTek's key customers expected to maintain their competitiveness and market position
- The Group's Vietnam facility has secured initial orders and commenced mass production

OA

- OA market expected to continue to recover slower partly due to the chip shortage
- InnoTek is offering sub-assembly of parts, enhancing its offerings from single-part manufacturing
- Mansfield Thailand has received orders for OA and Auto projects; however, COVID-19 has disrupted production

Group Outlook

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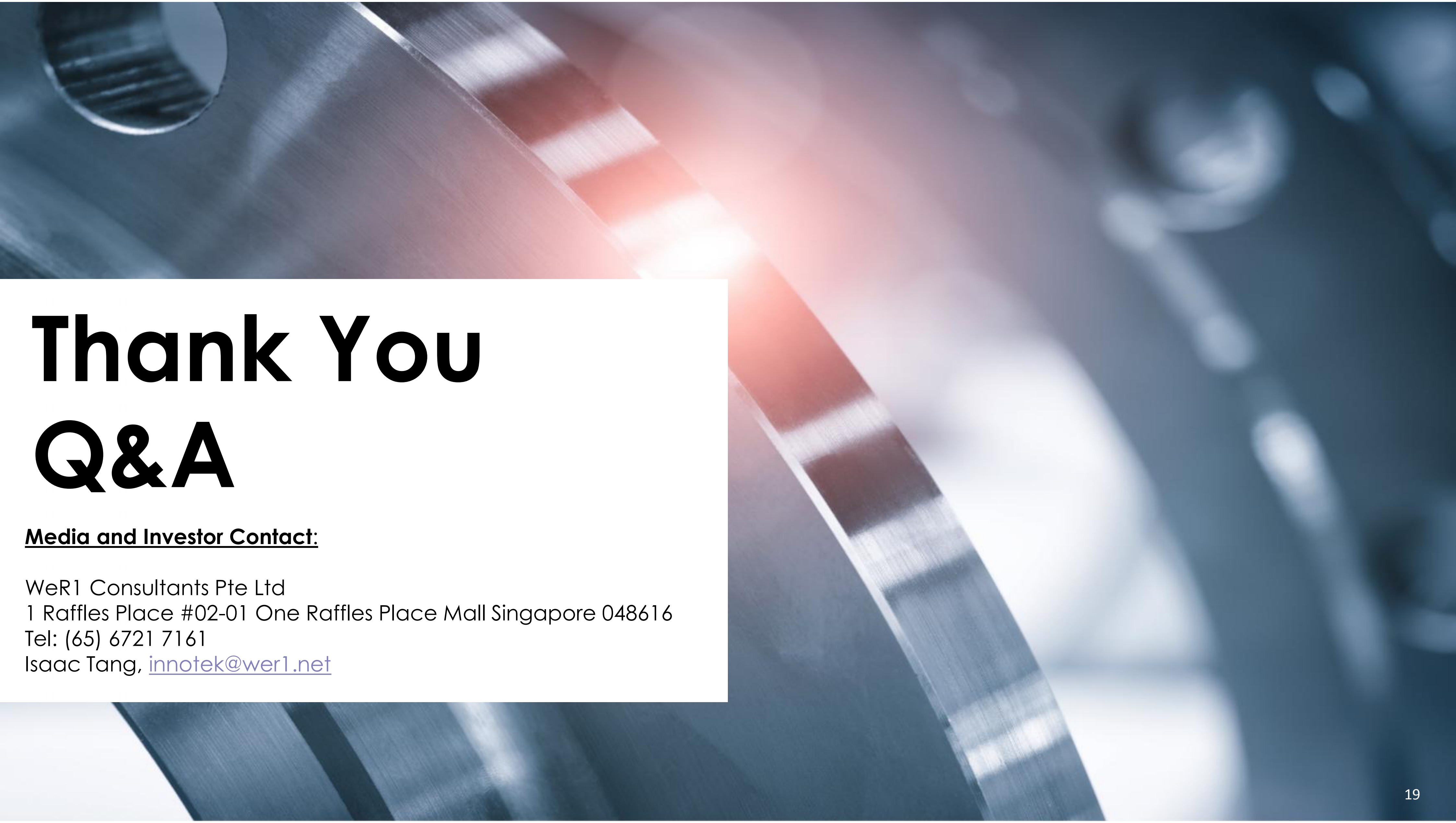
- Russia-Ukraine conflict has resulted in greater business uncertainty, cost of raw materials expected to increase
- In line with the Group's efforts to build partnerships in the EV sector, the Group has secured steel stamping project with a well-known EV battery producer in China
- Vietnam plant will focus on securing orders for TV bezels, while the Group will integrate internal resources to strengthen the business of Mansfield Thailand
- Enhancing our diversification strategy through long-term partnerships with several customers in emerging industries such as medical devices, 5G servers, gaming machines and semiconductors
- Adopted a closed-loop system within our facilities to mitigate recent COVID restrictions in China. Further restrictions could directly affect InnoTek's production; customers and suppliers indirectly impacted could also result in disruptions and reduced demand
- Against rising costs and fierce competition, the Group will continue to refine QCDS (quality, cost, delivery and service), continue with cost control and invest in production automation and equipment for new projects



Thank You
Q&A

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