

INNOTEK

ANNUAL REPORT 2025



POISED FOR THE
NEXT CHAPTER OF **GROWTH**



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OUR VISION AND MISSION



OUR VISION

To be a leader in the precision manufacturing industry, delivering innovative and sustainable solutions that create long-term value for our stakeholders.



OUR MISSION

Our mission is to provide innovative and sustainable products, technologies and business solutions to support our customers achieve their operating and business goals.

We continuously invest in technology and develop an operational structure that enables our customers to meet their cost targets while ensuring a good return for our shareholders. We always respect the value of our employees and invest in them, our most important asset, as they are the key drivers of organisation's growth.

CORE VALUES

COMMUNICATION



- Stay open-minded and receptive
 - assume positive intent from others
- Address issues transparently
 - avoid hidden agendas and openly resolve problems
- Be a good listener
 - focus on solving the issue, not criticising the individual

TEAMWORK



- Maintain zero tolerance for political behaviour
- Commit to the success of subordinates, peers, and superiors
- Strive for consensus without delaying decision-making
- Respect every individual, recognising that all team members bring value

CREATIVITY



- Encourage “out-of-the box” thinking among employees
- Challenge existing paradigms in all that we do
- Create an environment that encourages new ideas from employees, while fostering teamwork

ACHIEVEMENT



- Strive for excellence in everything we do
- Measure success through growth in profitability and shareholder value
- Recognise that respect is earned through actions, not granted by position

BALANCE



- If it's not enjoyable, rethink the approach – we may not be doing it right
- Value and respect both family and business commitments
- Recognise the equal importance of all functions within the organisation
- Balance the organisational success with the caring of people

COMMITMENT



- Honor your commitments in all relationships
- Strive for continuous customer satisfaction
 - Build strong, collaborative partnerships with customer and suppliers
- Invest in the growth and development of our employees

CORPORATE INFORMATION

REGISTERED OFFICE

2 Venture Drive
#08-25 Vision Exchange
Singapore 608526
Telephone: (65) 6535 0689
Website: www.innotek.com.sg

PLACE OF INCORPORATION

Singapore

COMPANY REGISTRATION NUMBER

199508431Z

DATE OF INCORPORATION

28 November 1995

BOARD OF DIRECTORS

Mr. Neal Manilal Chandaria, Chairman
Mr. Lou Yiliang
Mr. Ng Hin Lee
Dr. Xu Jinsong
Mr. Hideaki Miyazawa

COMPANY SECRETARY

Ms. Ong Beng Hong
Ms. Lee Yuan

AUDIT & RISK MANAGEMENT COMMITTEE

Mr. Ng Hin Lee, Chairman
Mr. Neal Manilal Chandaria
Dr. Xu Jinsong

NOMINATING COMMITTEE

Mr. Ng Hin Lee, Chairman
Mr. Neal Manilal Chandaria
Mr. Hideaki Miyazawa

REMUNERATION COMMITTEE

Dr. Xu Jinsong, Chairman
Mr. Neal Manilal Chandaria
Mr. Ng Hin Lee

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Audit Partner-in-charge:
Mr. Lim Kian Giap (since 31 December 2024)

PRINCIPAL BANKERS

Overseas Chinese Banking Corporation Limited
Bank of Singapore Limited
Bank of China Limited

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

CHAIRMAN'S LETTER TO SHAREHOLDERS



Mr. Neal Manilal Chandaria

Chairman, Non-Executive and Non-Independent Director

On behalf of the Board of Directors (the “Board”) of InnoTek Limited (“InnoTek” or the “Group”), I present to you our Annual Report for the financial year ended 31 December 2025 (“FY’25”).

FY’25 marked our tenth consecutive year of profitability, a testament to the Company’s long-term vision and commitment to growth, and to the management team. Even as the broader manufacturing environment faced intense competition, rising costs and a challenging geopolitical landscape presented headwinds during the year, I am proud that we have maintained our track record.

OUR AI SERVER AND NEW ENERGY STRATEGY

The highlight of FY’25 was the decisive steps we have taken in expanding our server and rack business, particularly in GPU-related applications, which we believe will be a key growth driver for InnoTek in the years ahead.

In October 2025, the Group announced it had been approved as a recommended vendor for NVIDIA, the world’s leading manufacturer of GPUs that are essential for training and running AI models, and for IEIT Systems, which is part of the Chinese state-owned Inspur Group – China’s largest server manufacturer.

These approvals are a powerful endorsement of InnoTek’s ability to meet the most rigorous precision manufacturing standards in the world. Mass production of Graphics Processing Unit (“GPU”) rack and server components for artificial intelligence (“AI”) applications for new customers commenced in the fourth quarter of FY’25, with volumes expected to scale progressively alongside the rapid global adoption of AI.

Growth in this area has been highly encouraging, and we expect NVIDIA, through its associated Original Design Manufacturers (“ODMs”), to emerge as one of our Top 10 customer in the coming years.

This milestone was not arrived at without strategic planning. Over the past two years, the Group has invested significantly in new product development for GPU rack and server products. It is this foresight and consistent investment in building capabilities that have enabled us to secure these prestigious project wins.

Building on this foundation, we are actively expanding our product pipeline in the AI server space and continue to explore potential strategic collaborations with suppliers and customers in the liquid cooling systems space to support AI-driven computing and next-generation data centre infrastructure globally.

CHAIRMAN'S LETTER TO SHAREHOLDERS

We are also investing in advanced precision equipment to further strengthen our capabilities and production capacity to meet anticipated demand growth in the AI space.

In the electric vehicle ("EV") sector, we remain optimistic about the long-term growth trajectory of the global EV market. As part of the Group's New Energy strategy, we continue to expand our presence across the new energy value chain, particularly in components for EV batteries and energy storage for leading customers such as CATL.

STREAMLINING OUR MANUFACTURING FOOTPRINT

In FY'25, the Group took important steps to optimise and reposition its manufacturing footprint across Southeast Asia.

In October 2025, we completed the strategic disposal of our 70%-owned subsidiary, Hua Yuan Sheng Industrial Co., Ltd., in Vietnam. This disposal allows the Group to redeploy resources towards higher-growth manufacturing activities and sharpen our focus on automation and productivity.

Concurrently, we have begun construction of a new 15,772 sqm factory extension in Rayong, Thailand. Expected to commence operations in the second quarter of FY'26, the new factory will more than quadruple the facility's built-in area and will support our growing capacity requirements in the Office Automation ("OA") and Automotive sectors, while also providing additional manufacturing capacity for our GPU server products.

The Group also incorporated two new wholly-owned subsidiaries during the year – Mansfield Surface Treatment (Dongguan) Co., Ltd. in China in January 2025, and Mansfield Manufacturing (M) Sdn. Bhd. in Malaysia in May 2025. These additions broaden our manufacturing capabilities and extend our geographic reach to better serve our customers' evolving needs.

FY'25 FINANCIAL PERFORMANCE

Revenue for FY'25 declined 11.8% to S\$209.9 million from S\$238.0 million in FY'24, primarily due to weaker contributions from our Automotive, OA and TV/Display sectors, amid softer market demand and the impact of trade tariffs imposed by the U.S. Government.

These headwinds were partially offset by strong growth of our GPU server sector, which delivered revenue of S\$43.2 million, up from S\$35.6 million a year ago.

In line with revenue, FY'25 gross profit declined 21.6% to S\$28.6 million (FY'24: S\$36.4 million) due to the change in product mix and challenging pricing environment across certain sectors. Accordingly, gross profit margin stood at 13.6% in FY'25 compared to 15.3% in FY'24.

Net profit for FY2025 was S\$2.0 million. Excluding S\$1.6 million in adjustments relating to restructuring-related staff compensation, fair value loss on investment properties, loss on disposal of a subsidiary, as well as allowance for tooling obsolescence, the Group's adjusted net profit for FY2025 would have increased to S\$3.6 million.

THE ROAD AHEAD

On the outlook, we continue to be optimistic. Despite challenges such as ongoing U.S.-China trade tensions, the ongoing conflict in the Middle East, broader geopolitical uncertainties, and continued shifts in supply chain strategies by corporations, the tailwinds driving demand for AI, data centres, and high-performance computing remain strong and enduring.

We are confident that the initiatives outlined above have laid a solid foundation for sustainable long-term growth, as we leverage our recommended vendor status to build our project pipeline.

Looking ahead, we anticipate that the ramp-up of our GPU rack and server business, together with our New Energy sector, will be a meaningful contributor to the Group's performance in the year ahead.

CHAIRMAN'S LETTER TO SHAREHOLDERS

Meanwhile, the automotive industry in China continues to transition to electric vehicles, amid intense competition and pricing pressures. The Group is realigning our product offerings to better support global Tier-1 customers, while our expanded Thailand facility will support customers shifting production out of China.

In the OA sector, we are working closely with our customers to support the diversification of their manufacturing footprint. On the TV/Display front, we expect customer sentiment in the United States and Europe to remain soft.

In response, we will continue to pursue prudent cost management, maintain a strong balance sheet, and monitor the evolving geopolitical landscape closely.

DIVIDEND

Despite the challenging year, the Board has proposed a first and final dividend of 2.0 Singapore cents per share, consistent with the payout last year, subject to shareholders' approval at the forthcoming Annual General Meeting ("AGM"). This reflects the Board's confidence in the Group's longer-term prospects and our commitment to rewarding shareholders.

APPRECIATION

On behalf of the Board, I wish to express our sincere gratitude to our customers and business partners for their continued trust and collaboration. Your confidence in InnoTek is what drives us to continuously raise the bar in precision manufacturing excellence.

I would also like to thank my fellow Board members for their guidance and commitment. In line with our Board renewal, we appointed Mr. Hideaki Miyazawa as Independent Director, and redesignated Mr. Ng Hin Lee as Lead Independent Director on 12 August 2025. These appointments strengthen our corporate governance, and I look forward to working closely with my fellow directors.

I would also like to extend my deep appreciation to Mr. Lou Yiliang and the entire management team and staff of InnoTek. Their business acumen, hard work, professionalism, and dedication have been instrumental in delivering a tenth consecutive year of profitability while opening up exciting new opportunities for growth. Mr. Okura Ippei, who has been Mansfield Group's Chief Marketing Officer and Director, has retired from his role since 10 March 2026. We thank him for his service and contributions, and wish him every success and fulfilment in his retirement.

As we reflect on these achievements, we are also proud to mark two significant milestones – the 30th anniversary of the InnoTek Group and the 50th anniversary of the Mansfield Group. These milestones reflect decades of engineering excellence and resilience, and reinforce our commitment to building on this strong foundation to create sustainable value for our stakeholders in the years ahead.

Finally, I want to extend my heartfelt thanks to you, our shareholders, for your continued faith and support. Your long-term commitment to InnoTek is deeply valued as we enter this new and exciting chapter in our journey.

Mr. Neal Manilal Chandaria

*Chairman, Non-Executive and
Non-Independent Director*

CEO MESSAGE



Mr. Lou Yiliang

CEO, Executive and Non-Independent Director

Dear Valued Shareholders,

In a fast-changing operating environment amid geopolitical challenges, supply chain disruptions and technological shifts, FY'25 was a year of two distinct narratives. Within our Precision Mechanical Manufacturing and Precision Intelligence Manufacturing segments, our traditional business sectors – Automotive, Office Automation (“OA”) and TV/Display – faced a softer end-market. At the same time, the strong demand for AI has opened up a new source of revenue with InnoTek securing two global Graphics Processing Unit (“GPU”) leaders as customers.

Despite the headwinds, we delivered our tenth consecutive year of profitability, a track record I am proud of, and one that reflects the resilience of our team and the underlying strength of our advanced manufacturing capabilities.

For several years, I had spoken about our ambition to move into higher-growth, higher-value product categories. Since FY'23, our teams have been quietly but relentlessly building the technical foundation needed to compete in server and data centre applications, particularly in the GPU server and rack-

related components – investing in precision machining capabilities, developing new product prototypes, and engaging prospective customers.

All the hard work we have put in over the past two years has borne fruit. In September 2025, our Dongguan subsidiaries were approved as recommended vendors by NVIDIA Corporation and IEIT Systems Co., Ltd., respectively the world’s leading GPU manufacturer and a major GPU server infrastructure provider under China’s Inspur Group.

The FY'25 volumes for GPU components should be seen as an initial ramp, not yet at full scale. But the approvals, the production track record established in 4Q FY'25, and the pipeline conversations we are having give me genuine confidence in the growth trajectory of this server and data centre business. We continue to deliver prototypes to NVIDIA for future server models, and we are in active discussions with other customers for similar GPU server-related projects.

Beyond our current product scope, we are developing our capabilities in advanced GPU server components and exploring potential strategic collaborations with established customers in the liquid cooling systems

CEO MESSAGE

space, a critical technology as heat management becomes increasingly important for high-density AI computing.

Alongside the GPU server push, FY'25 was an intensive year of operational investment and restructuring.

In Rayong, Thailand, we are more than quadrupling our facility's built-in area. When it commences operations in 2Q FY'26, it will give us the capacity to take on more Automotive and OA production from customers shifting out of China, as well as room to support GPU server and liquid cooling systems customers in Southeast Asia.

This expansion follows the establishment of two new subsidiaries: Mansfield Surface Treatment (Dongguan) Co., Ltd. ("Mansfield Surface Treatment") in China in January 2025, and Mansfield Manufacturing (M) Sdn. Bhd. ("Mansfield Melaka") in Malaysia in May 2025.

Mansfield Surface Treatment was a deliberate move up the value chain to offer customers a more complete solution, while Mansfield Melaka is a further step in building out our Southeast Asian manufacturing network, and positions us to serve customers who are actively diversifying their supply chains into Malaysia.

Meanwhile, in October 2025, we completed the disposal of our 70%-owned subsidiary, Hua Yuan Sheng Industrial Co., Ltd., in Vietnam. This will free up capital that we believe is better deployed elsewhere, particularly in our GPU server capabilities and the Thailand expansion.

FINANCIAL REVIEW

The Group's revenue for FY'25 declined 11.8% to S\$209.9 million from S\$238.0 million in FY'24, reflecting weaker demand across our Automotive, OA and TV/Display sectors. This was partially offset by strong growth in the GPU sector, which increased by 21.3% to S\$43.2 million. The sector has grown to contribute a large portion of overall revenue, demonstrating early traction in a higher-value and fast-growing industry.

The dynamics in the automotive sector are well-known: foreign car brand sales in China continue to soften as domestic Electric Vehicle ("EV") brands gain share, and U.S. tariffs have reduced export-related demand.

We are actively securing new tooling and component projects specifically for EV models, and several of these projects have already commenced. We are also working to win more business from global Tier-1 customers who are themselves relocating production to Thailand and other parts of Southeast Asia.

Meanwhile, our OA customers are gradually relocating production to ASEAN. This has softened orders from China, while new projects in Southeast Asia have been slower to ramp than expected. We are staying close to customers through this transition to be the natural choice when they need a trusted manufacturing partner in their new locations.

On the TV/Display front, consumer sentiment in the U.S. and European markets has been weak, and the tariff environment has compounded this. We are focused on maintaining operational efficiency and keeping our cost base lean.

Finally, projects in medical equipment, gaming machines, and ATMs were softer than we hoped, partly due to demand timing and partly due to the Vietnam disposal reducing certain revenue contributions. We continue to believe in the long-term potential of these businesses and are selectively pursuing projects that offer both good margins and a long project lifecycle.

Gross profit for FY'25 was S\$28.6 million compared to S\$36.4 million in FY'24; while gross profit margin narrowed to 13.6% in FY'25 from 15.3% a year ago, reflecting a less favourable product mix.

Our net profit attributable to owners was S\$2.0 million for FY'25 (FY'24: S\$5.8 million). Excluding S\$1.6 million in adjustments relating to restructuring-related staff compensation, fair value loss on investment properties, loss on disposal of a subsidiary, as well as an allowance for tooling obsolescence, the Group's adjusted net profit for FY'25 would have increased to S\$3.6 million.

CEO MESSAGE

Our balance sheet remains healthy with a net cash position of approximately S\$57.3 million. This allows us to remain nimble, serves as a strong buffer against near-term headwinds, and gives us the financial capacity to fund our growth strategies.

OUTLOOK

Looking ahead, the Thailand factory extension will come online in the next few months, increasing our capacity at a time when customer relocation trends are working in our favour. Meanwhile, GPU server volumes are expected to continue ramping, and our product pipeline in this space is growing.

However, the tariff environment remains unpredictable, and the global environment remains highly uncertain following the outbreak of fresh conflict in Iran in early 2026. We will remain disciplined about our cost base, keep investing in QCDS – quality, cost, delivery and service – and stay close to our customers as we have always done.

APPRECIATION

I would like to take this opportunity to welcome our new Independent Director, Mr. Hideaki Miyazawa, who was appointed on 12 August 2025. I would also like to congratulate our Independent Director, Mr. Ng Hin Lee, for his redesignation as Lead Independent Director. I look forward to working with the Board as we navigate the next chapter of InnoTek's growth.

I would also like to record my sincere appreciation to Mr. Okura Ippei, who served as Chief Marketing Officer and Director of the Mansfield Group and retired on 10 March 2026, for his decade of dedicated service and valuable contributions to the Group. We wish him all the best in his future endeavours.

The milestones we achieved this year required sustained effort by a large number of people across our facilities. I want to sincerely thank every member of the InnoTek team for their hard work and commitment.

To our customers and business partners, thank you for the trust you place in us. Your confidence in our products and services inspires us to deliver ever higher standards of excellence.

Finally, to our shareholders: thank you for your continued patience and support. I believe the actions we have taken in FY'25 have positioned InnoTek for a stronger FY'26, and I look forward to delivering on that.

Mr. Lou Yiliang

*CEO, Executive and
Non-Independent Director*

BOARD OF DIRECTORS



Mr. Neal Manilal Chandaria

Chairman, Non-Executive and Non-Independent Director

Mr. Neal Manilal Chandaria was appointed to the Board of InnoTek as a Non-Executive, Non-Independent Director on 2 November 2015 and has been serving as Chairman of the Board since 27 April 2017. He is also a member of the Remuneration Committee, Nominating Committee and the Audit & Risk Management Committee.

Mr. Chandaria is a senior executive at the Comcraft Group, a global enterprise active in sectors such as steel, aluminium, plastics, packaging, and information technology. Based in Singapore, he has played a key role in developing Comcraft's businesses across Asia for more than 25 years, having previously been involved in the Group's operations in Africa and Europe.

He holds a degree in Economics from Stanford University and serves as the Honorary Consul of the Republic of Kenya in Singapore. Mr. Chandaria was re-elected as a Director of the Company at the AGM for the financial year ended 31 December 2024 pursuant to Article 103 of the Company's Constitution.



Mr. Lou Yiliang

CEO, Executive and Non-Independent Director

Mr. Lou Yiliang was appointed as the Executive Director of InnoTek and Chief Executive Officer of the company's wholly-owned subsidiary, Mansfield Group, on 2 November 2015. In 2017, Mr. Lou was further appointed as the Chief Executive Officer of InnoTek Limited.

Born in Shanghai, Mr. Lou has vast experience in the consumer electronics and home appliances businesses in Asia. He started his career as an entrepreneur in the 1980s by helping procure Toshiba consumer electronics from Japan to China. The business helped pave the way for the transfer of technology from Toshiba in Japan to major Chinese manufacturers of TV sets and other consumer electronics. These included Chang Hong, Haier, Hisense and Konka.

In 2000, Mr. Lou set up Toyo Communication Technology (Shenzhen) Co. Ltd., which makes and assembles printed circuit boards and provides electronic manufacturing services.

In 2006, Mr. Lou formed a joint venture Konka Precision Mould Plastic Co. Ltd. with major TV manufacturer Konka to develop precision moulds for TV and office automation components as well as automotive products.

Mr. Lou is the Chairman of Konka Precision Mould Plastic Co. Ltd., which has a 51:49 joint venture company, Anhui KM Technology Company Limited, with Mansfield Manufacturing Company Limited, a wholly-owned subsidiary of InnoTek.

Besides Chinese, Mr. Lou is also proficient in Japanese. Mr. Lou was re-elected as a Director of the Company at the AGM for the financial year ended 31 December 2023 pursuant to Rule 720(5) of the SGX-ST Listing Manual and is subject to re-election at this year's AGM for the financial year ended 31 December 2025.

BOARD OF DIRECTORS



Mr. Ng Hin Lee

Non-Executive and Lead Independent Director

Mr. Ng Hin Lee was appointed as an Independent Director of the Company on 26 April 2024. He serves as Chairman for both the Audit & Risk Management Committee and Nominating Committee. He is also a member of the Remuneration Committee. He was appointed as the Lead Independent Director of the Company on 12 August 2025. Mr. Ng is also an Independent Non-Executive Director of SGX-listed KOP Limited and GSH Corporation Limited, as well as several non-listed companies.

With over 30 years of experience in key financial and managerial positions, Mr. Ng previously served as Executive Director at Gul Technologies Singapore Ltd, Group Chief Financial Officer at Singapore Post Limited, Financial Controller at Data General Hong Kong Ltd (Singapore Branch) and Audit Manager at KPMG Singapore.

Mr. Ng graduated with a Bachelor of Accountancy degree from the University of Singapore in 1980 and is a Fellow Member of The Institute of Singapore Chartered Accountants. He was awarded Best CFO of the Year at the prestigious Singapore Corporate Award in 2011, and also received the Suzhou Industrial Park Pioneer Award in 2017.

Mr. Ng was re-elected as a Director of the Company at the AGM for the financial year ended 31 December 2024 pursuant to Article 107 of the Company's Constitution.



Dr. Xu Jinsong

Non-Executive and Independent Director

Dr. Xu Jinsong was appointed as an Independent Director of the Company on 15 July 2021. He was subsequently appointed Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee on 26 April 2024.

Dr. Xu was an Associate Professor at Shanghai Jiao Tong University from mid 2001 to end 2023, and was involved in teaching and research activities in the Naval Architecture and Ocean Engineering fields.

Dr. Xu participated in the Singapore Maritime Institute research programme "Maritime Training and Operation Simulation of Dynamically Positioned Vessels" from July 2014 to June 2017 as an Academic Collaborator.

As a co-founder and non-independent director of Seastel Marine System (Shanghai) Co. Ltd. from August 2010 to March 2015, Dr. Xu participated in R&D administration and product marketing in green shipping and autonomous shipping. In January 2024, Dr. Xu resigned from Shanghai Jiao Tong University and joined Seastel Marine System full-time as Chief Scientist.

Dr. Xu graduated from Naval Architecture and Ocean Engineering, Shanghai Jiao Tong University, Shanghai, PRC with a Bachelor of Science degree in 1989 and obtained his Ph.D. from Naval Architecture and Ocean Engineering, Memorial University of Newfoundland (Canada) in 2000.

Dr. Xu was re-elected as a Director of the Company at the AGM for the financial year ended 31 December 2022 pursuant to Article 103 of the Company's Constitution and is due for re-election at this year's AGM for the financial year ended 31 December 2025.

BOARD OF DIRECTORS



Mr. Hideaki Miyazawa

Non-Executive and Independent Director

Mr. Hideaki Miyazawa was appointed as an Independent Director of InnoTek Limited on 12 August 2025 and has been a member of the Nominating Committee since 12 November 2025. He is a seasoned executive with over a decade of board-level experience at NTN Corporation, a leading Japanese manufacturer of bearings and automotive components.

Since 2019, Mr. Miyazawa has served as Representative Executive Officer of NTN, overseeing global operations and spearheading initiatives in sustainability, governance, and compliance. His leadership has played a key role in advancing the company's alignment with the UN Sustainable Development Goals and enhancing corporate value.

Mr. Miyazawa brings deep expertise in sales and marketing, complemented by broad experience in global procurement and overseas business management. He has spent 11 years in Germany and 4 years in China, equipping him with strong cross-cultural leadership skills.

He holds a Bachelor of Laws degree from Doshisha University in Kyoto, Japan. Mr. Miyazawa is fluent in Japanese, proficient in English, and conversant in German.

As Mr. Miyazawa was appointed as a Director of the Company after the Company's last AGM in 2025, he will be subject to retirement and re-election at the AGM for the financial year ended 31 December 2025 pursuant to Article 107 of the Company Constitution.

KEY MANAGEMENT



Ms. Angeline Tan Siang Keng
Group Chief Financial Officer, Innotek Group
Director, Mansfield Group

Ms. Tan Siang Keng, Angeline was appointed as the Group Chief Financial Officer of the Company on 10 June 2024. She is responsible for overseeing the Group's financial and management accounting, treasury, taxation, risk management, investments, investor relations, and ensuring corporate and regulatory compliance.

Ms. Tan has over 30 years of experience in financial & human resource management, market development and business operations in China and the Southeast Asia region, with a focus on the metal stamping industry. Prior to joining the Group, she founded AAJ Business Consulting Pte. Ltd., where she provides business consulting and Chief Financial Officer services.-

Previously, she served several key roles at then-listed Allied Technologies Limited, starting as Finance and Admin Manager, progressing to Group General Manager, and ultimately becoming Chief Operating Officer and Managing Director for the Southeast Asia Metal Stamping sector.

Ms. Tan holds a Master of Business Administration degree and a Master of Business degree in Professional Accounting from the Victoria University of Technology. A Chartered Accountant certified by the Institute of Singapore Chartered Accountants and a Certified Practising Accountant with CPA Australia, Ms. Tan is also a member and certified Senior Accredited Director of the Singapore Institute of Directors.

In 2015, Ms Tan was conferred the Public Service Medal (PBM) in recognition of her active contribution to the community. She currently serves as the Chairlady of the Telok Blangah Community Club and as the Vice Chairlady of the Telok Blangah Citizen Consultative Committee.



Ms. Ang Lee Ai
Financial Controller, Innotek Group

Ms. Ang Lee Ai joined the Company as Financial Controller in May 2025, where she supports the Group Chief Financial Officer in overseeing the Group's finance function, including financial reporting, budgeting, investor relations and regulatory compliance.

She brings over 15 years of experience in finance and accounting. Prior to joining the Company, Ms. Ang was a Consultant at AAJ Business Consulting Pte. Ltd., where she provided advisory services on finance, operations and business strategy and also served as Financial Controller for one of its clients.

Earlier in her career, Ms. Ang held finance roles at Allied Technologies Limited and its subsidiaries, including Financial Controller and Group Accountant. She began her career with Ernst & Young, Malaysia in 2010, where she was involved in statutory audits of public listed companies, multinational corporations and private enterprises.

Ms. Ang holds a Bachelor of Science (Honours) in Applied Accounting (First Class Honours) from Oxford Brookes University. She is a Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants and a member of the Association of Chartered Certified Accountants.

KEY MANAGEMENT



Mr. Ukawa Masatsugu

Chief Administration Officer & Director, Mansfield Group

Mr. Ukawa Masatsugu joined Mansfield Group as General Manager, Internal Audit Department in December 2015, and has served as Chief Administration Officer for Mansfield Group Administration since April 2018.

Mr. Ukawa brings to Mansfield Group more than 30 years of experience in investment banking, finance and corporate management in both China and Japan. With his extensive knowledge of Chinese and Japanese corporate culture and business models, Mr. Ukawa is well positioned to lead the Mansfield Group management.

Prior to joining the Mansfield Group, Mr. Ukawa served as an investment banker at Nomura Securities Co., Ltd. (“**Nomura**”) from 1986 to 2010. Between 1993 and 2008, he was CEO of investment consultancy NOMURA CITIC International Investment Consulting Co., Ltd, a Nomura subsidiary based in Beijing, China, where he successfully established multiple Sino-Japanese joint ventures in various fields.

From 2010 to 2015, Mr. Ukawa was a director of KITO Co., a professional crane equipment manufacturer, where he managed the company’s business in China, and served as the General Manager of Shanghai KITO Crane Co., Ltd, a subsidiary of KITO Co. located in Shanghai, China.

Mr. Ukawa graduated from Japan’s Waseda University with a degree in Economics.



Mr. Xiong Guang

Chief Operating Officer, Precision Mechanical Manufacturing Business Unit (“BU”) & Director, Mansfield Group

Mr. Xiong Guang has over 25 years of experience in precision engineering and quality management. He joined Mansfield Group in 2007 and has since held progressively senior leadership positions, including Senior Quality Manager, Deputy General Manager, and Executive Deputy General Manager of Sun Mansfield Manufacturing (Dongguan) Co., Ltd. (“**SMW**”). In 2021, he was appointed General Manager of SMW, and in 2025, concurrently took on the role of General Manager of Mansfield Manufacturing (Wuhan) Company Limited. In August 2025, Mr. Xiong assumed his current role as Chief Operating Officer of the Precision Mechanical Manufacturing BU, overseeing precision components and tooling operations.

Before joining Mansfield, Mr. Xiong held quality management roles in multinational manufacturing companies, including Surface Mount Technology (Holdings) Ltd., Defond Manufacturing Co., Ltd., and Chicony Electronics Co., Ltd., where he worked with leading global customers such as Sony, IBM, and Dell.

Mr. Xiong graduated from Mechanical Manufacturing Technology and Equipment, Kaifeng University, and obtained a Master’s degree of Business Administration from South China University of Technology.

KEY MANAGEMENT



Mr. Derrick Lee Wei Ta

Chief Operating Officer, Precision Intelligent Manufacturing BU & Director, Mansfield Group

Mr. Derrick Lee brings over 17 years of experience in precision engineering and intelligent manufacturing, with a strong track record in building businesses across Asia. He joined Mansfield Group in 2011 and currently serves as Chief Operating Officer of the Precision Intelligent Manufacturing BU, overseeing precision machining operations, growth strategy, and advanced manufacturing initiatives.

Prior to his current role, Mr. Lee held senior leadership positions including General Manager of Mansfield Vietnam Company Limited, Magix Mechatronics (Dongguan) Company Limited and Mansfield Technology (Taiwan) Company Limited, where he successfully expanded partnerships with leading global technology companies such as Sony, Wistron, Foxconn, AUO, BOE, TPV, Xiaomi, and NVIDIA. He also played a pivotal role in establishing Mansfield's Taipei office, anodising facilities, and Vietnam operations.

Earlier in his career, Mr. Lee worked at Catcher Technology, the world's largest Computer Numerical Control manufacturer, where he led product development for renowned brands including Apple, Nokia, Motorola, Dell, HP, ASUS, and Acer.

Mr. Lee holds a Master's degree in Aerodynamics and a Bachelor's degree in Engineering Science from National Taiwan University. His expertise lies in driving innovation, operational excellence, and customer-focused solutions in the high-precision manufacturing sector.



Mr. Quincy Chan Ming Ue

Chief Marketing Officer & Director, Mansfield Group

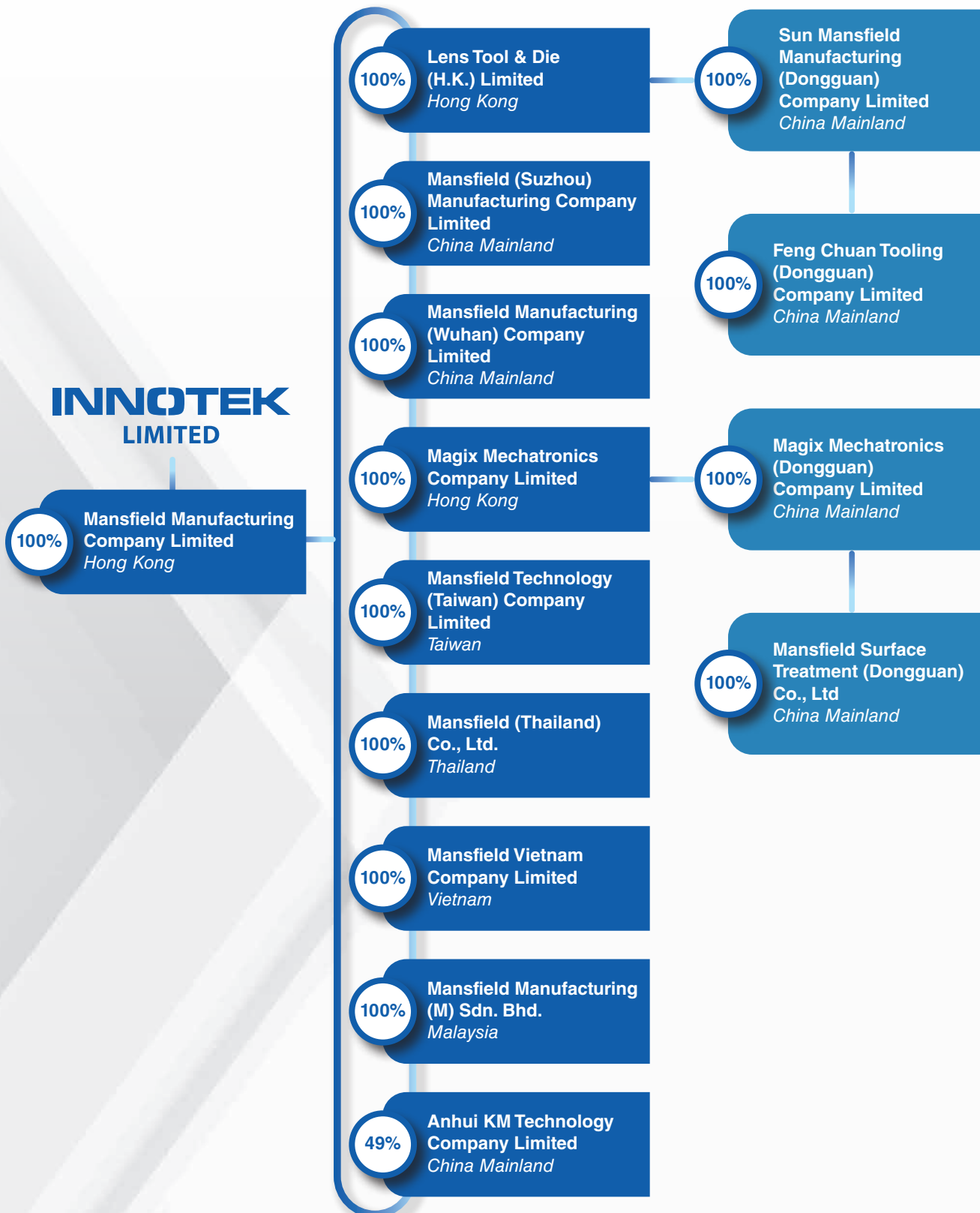
Mr. Quincy Chan joined the Mansfield Group as Special Assistant to the Chief Marketing Officer on 23 June 2025 and was subsequently redesignated as Chief Marketing Officer on 11 March 2026. He oversees the Group's global marketing strategy, business development initiatives, quality compliance and key customer engagement across major markets.

Mr. Chan has over 25 years of experience in sales, marketing and business development in the mechanical manufacturing industry, covering plastics and precision metal components, with extensive exposure across automotive, healthcare, consumer electronics and packaging sectors.

Prior to rejoining the Group, he held senior leadership positions in multinational companies including Barnes Molding Solutions (Barnes Group Inc., NYSE: B), TK Group (Holdings) Limited (HKEX: 2283) and Nypro Inc., a subsidiary of Jabil Inc. (NYSE: JBL). He previously served in the Mansfield Group from November 2012 to October 2018 in various senior leadership roles across sales and operations.

Mr. Chan holds a Master of Business Administration from The University of Hong Kong and a Bachelor of Arts (Honours) in Managerial Statistics from City University of Hong Kong. He is fluent in English, Mandarin, Japanese and Cantonese.

GROUP STRUCTURE



INNOTEK LOCATIONS

SINGAPORE

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#08-25 Vision Exchange,
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Tel: (65) 6535 0689
www.innotek.com.sg

HONG KONG

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Lens Tool & Die (H.K.) Limited
Magix Mechatronics Company Limited
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37 Wing Hong Street
Kowloon, Hong Kong
Tel: (852) 2489 1968
www.mansfield.com.hk

CHINA MAINLAND

Sun Mansfield Manufacturing (Dongguan) Co., Ltd.
Block 105 & 106, Xin Yang Road,
New Sun Industrial City, Lincun,
Tangxia, Dongguan City,
Guangdong Province, China
PC: 523711
Tel: (86) 769-8792 9299

**Mansfield (Suzhou) Manufacturing
Company Limited**
No 2, Jin Wang Road,
Xu Guan, Suzhou New District,
Suzhou, Jiangsu Province, China
PC: 215151
Tel: (86) 512-6661 7083

**Mansfield Manufacturing (Wuhan)
Company Limited**
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Technological Development Zone,
Wuhan City, Hubei Province, China
PC: 430056
Tel: (86) 027-8466 8966

Feng Chuan Tooling (Dongguan) Company Limited
No. 20 Planthouse, Xin Yang Road,
Lincun, Tangxia, Dongguan City,
Guangdong Province, China
PC: 523711
Tel: (86) 769-8792 9299

Magix Mechatronics (Dongguan) Company Limited
No. 1 Er Heng Dao, Xiang Xin East Road,
He Dong Industrial Zone,
Yantian, Fenggang Town, Dongguan City,
Guangdong Province, China
PC: 523700
Tel: (86) 769-8203 9188

Mansfield Surface Treatment (Dongguan) Co., Ltd.
Room 102, Building 2,
No. 89, Huan Chang North Road,
Changping Town, Dongguan City,
Guangdong Province, China
PC: 523563
Tel: (86) 769-8203 9188

Anhui KM Technology Company Limited
No. 618, Huaihexi Road, Chuzhou,
Anhui Province, China
PC: 239000
Tel: (86) 550-391 9088

THAILAND

Mansfield (Thailand) Co., Ltd.
Amatacity Industrial Estate Rayong
7/11 Moo.4, T. Pananikhom,
A.Nikhompattana,
Rayong, Thailand 21180
Tel: (66) 033-01 0856

TAIWAN

Mansfield Technology (Taiwan) Company Limited
12/F – 6, No. 75, Sec. 1 Xintai, 5th Road,
Xizhi District, New Taipei
City, Taiwan
PC: 221432

VIETNAM

Mansfield Vietnam Company Limited
Lot CN11-10, Yen Phong Industrial Zone
(Expansion phase),
Tam Da Commune,
Bac Ninh Province, Vietnam
PC: 221510
Tel: (84) 868-911001

MALAYSIA

Mansfield Manufacturing (M) Sdn. Bhd.
Lot No. 10083 & 10084, Jalan TU 61,
Taman Tasik Utama, Bukit Katil,
Melaka, Malaysia
PC: 75450

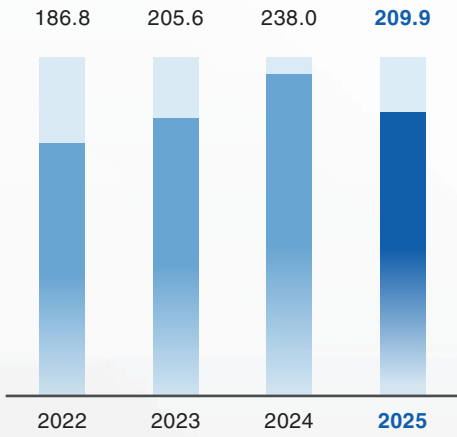
FINANCIAL HIGHLIGHTS

FOR THE YEAR (S\$ IN THOUSANDS)	2022	2023	2024	2025
Turnover	186,755	205,560	238,035	209,914
Operating (loss)/profit*	(1,325)	4,479	2,253	(1,896)
Profit before tax	2,368	6,378	7,322	2,626
Profit after tax attributable to owners of the Company	2,254	4,655	5,797	1,997
AT YEAR END (S\$ IN THOUSANDS)				
Shareholders equity	176,703	173,336	176,175	171,247
Property, Plant and equipments, investment properties and right-of use assets	76,538	78,063	79,443	92,160
Cash and deposits	58,978	50,168	48,920	46,505
Less: Loans and borrowings	–	6,960	4,976	9,709
Less: Lease liabilities	19,001	17,235	13,861	25,455
Net Cash	39,977	25,973	30,083	11,341
Weighted average number of shares	230,763	231,305	231,305	230,757
Number of shares at end of period	231,305	231,305	231,305	233,279
PER SHARE (SINGAPORE CENTS)				
Profit after tax attributable to owner of the Company	1.0	2.0	2.5	0.9
Net assets	76.4	74.9	76.2	73.4
Gross dividend (Cents)	2.0	2.0	2.0	2.0
Net cash	17.3	11.2	13.0	4.9
RATIOS				
Operating (loss)/profit (%)	(0.7%)	2.2%	0.8%	(0.9%)
Profit before tax (%)	1.3%	3.1%	3.1%	1.3%
Profit after tax (%)	1.2%	2.3%	2.4%	1.0%
Net cash (%)	22.6%	15.0%	17.1%	6.6%
Current Ratio	2.74	2.36	2.34	2.14

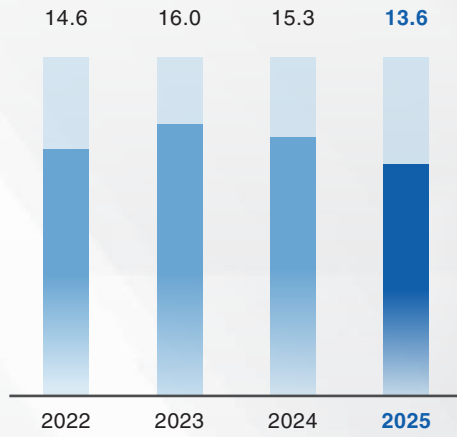
* Operating profit is calculated as Gross profit less Selling and distribution expenses and Administrative expenses

FINANCIAL HIGHLIGHTS

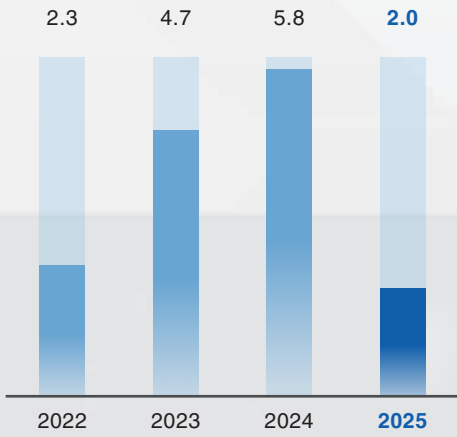
Group Revenue (S\$'M)



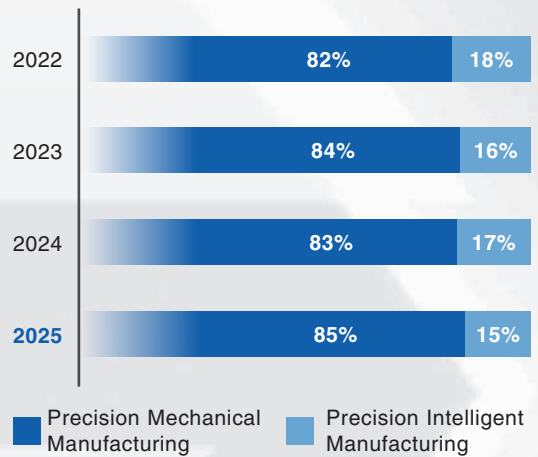
Gross Margin (%)



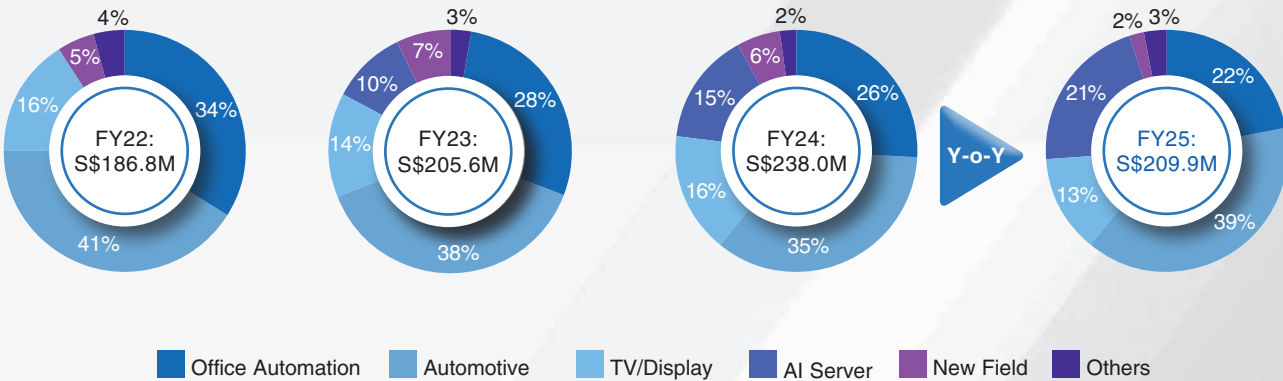
Net Profit (S\$'M)



Revenue by Business Units



Revenue by Sectors



SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT

1. ABOUT THE REPORT

Reporting Boundary

As a guide, this report covers operations and subsidiaries of InnoTek Limited (“**InnoTek**” or together with its subsidiaries, the “**Group**”) unless otherwise stated. It provides an overview of the Group’s approach, practices, commitment and performance in relation to its material Environmental, Social and Governance (“**ESG**”) topics.

This report covers the sustainability performance of the Group for the financial year from 1 January 2025 to 31 December 2025 (“**FY’25**”), and includes the following operating entities:

- Sun Mansfield Manufacturing (Dongguan) Co., Ltd. (“**SMW**”);
- Feng Chuan Tooling (Dongguan) Co., Ltd. (“**FACT**”);
- Mansfield (Suzhou) Manufacturing Co., Ltd. (“**SZM**”);
- Magix Mechatronics (Dongguan) Co., Ltd. (“**MGX**”);
- Mansfield Manufacturing (Wuhan) Co., Ltd. (“**WHM**”);
- Mansfield (Thailand) Co. Ltd (“**TLM**”);
- Mansfield Vietnam Co., Ltd. (“**VNM**”); and
- Mansfield Surface Treatment (Dongguan) Co., Ltd. (“**MST**”)

Hua Yuan Sheng Industrial Company Limited, located in Vietnam, has not been included in the reporting boundary. During FY’25, the Group disposed of its entire 70% interest in the entity and no longer exercises control over its operations.

Mansfield Manufacturing (M) Sdn. Bhd., located in Malaysia, was incorporated during FY’25 and is currently in its early stage of establishment. As the entity had not commenced substantive operations during the reporting period and its sustainability reporting mechanisms are not yet fully developed, it has not been included in this sustainability report.

The Group intends to progressively align the boundary of its sustainability reporting with that of its financial reporting by including all entities within the consolidated group in future reporting cycles.

SUSTAINABILITY REPORT

Reporting Period & Standards

The reporting period is aligned with the Group's financial year (1 January 2025 to 31 December 2025). This report was prepared with reference to the Global Reporting Initiative ("GRI") Standards. The GRI Standards are the most widely used and internationally accepted sustainability reporting framework. A GRI Content Index at the end of the report specifies the location of the relevant disclosures. In addition, to enhance the Group's understanding of potential climate-related risks and opportunities and to better prepare for evolving regulatory expectations, the Group has conducted a qualitative climate-related scenario analysis aligned with the Task Force on Climate-related Financial Disclosures ("TCFD"), taking into account its operational characteristics and business context.

Restatements of Information

In FY'25, there is no restatement of information from previous reporting periods.

Independent Assurance

The ESG performance data presented in the report have mainly been extracted from internal information systems and original records. The Group has not sought external assurance for this sustainability report and has relied on internal verification to ensure data accuracy.

2. FEEDBACK

We remain fully committed to engaging our stakeholders and welcome feedback on any aspect of our sustainability policies, processes, and performance. Kindly address all feedback to innotek@innotek.com.sg. Your feedback is valuable to us as we continue to strengthen our sustainability practices and build a resilient and sustainable business. As part of our efforts to promote environmental conservation, this Sustainability Report is published in digital format as part of the Group's Annual Report, and no hard copies will be produced unless specifically requested by shareholders.

3. BOARD STATEMENT ON SUSTAINABILITY

InnoTek Limited ("**InnoTek**" or together with its subsidiaries, the "**Group**") is pleased to issue its eighth sustainability report, prepared with reference to the GRI Standards and in compliance with the sustainability reporting guidelines of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). This report includes climate-related disclosures aligned, where applicable, with the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") on a comply-or-explain basis.

The Group is committed to integrating material environmental, social and governance topics with our core business strategy. The report seeks to present an accurate and even account of the Group's sustainability practices and performance in our quest to be a sustainable, responsible corporate citizen.

The Board of Directors ("**Board**") and senior management ("**Management**") remain committed to establishing and maintaining an effective Sustainability Management Framework, which is supported by underlying internal controls, risk management practices and clear accountability and reporting processes. The Board evaluates and considers ESG risks and opportunities relevant to the Group during the formulation of overall business strategy, objectives and performance measurements.

SUSTAINABILITY REPORT

The Sustainability Reporting (“SR”) Committee supports the Management in identifying the ESG topics relevant to the Group’s day-to-day operations. Management then determines the materiality of the ESG topics based on the level of significance of impact, influence on stakeholder values, and the achievement of the Group’s strategic objectives. The Board supports and approves the identification and assessment parameters of material ESG topics.

In FY’25, the Group reviewed its material ESG topics and introduced a new topic, GRI 405: Diversity and Equal Opportunity, into this sustainability report. This reflects the Group’s continued expansion across multiple jurisdictions and the increasing importance of diversity and inclusion in supporting long-term, sustainable growth.

The ESG topics in this report have been reviewed by the Board and Management and are assessed to be material and relevant. The Board and Management will continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long-term growth for all stakeholders. The Group will continue to work towards a balanced disclosure on the management and monitoring of material ESG topics for continuous improvement.

Awards & Certification

During FY’25, the Group and its subsidiaries continued to hold various valid certifications attained in previous years and also received several new awards. These include:

- Certification for ISO 9001:2015 Quality Management Systems.
- Certification for ISO 14001:2015 Environmental Management Systems.
- Certification for IATF 16949:2016 Quality Management Systems for Automotive Sector.
- Certification for ISO 45001.
- Certified Authorised Economic Operator (AEO) – Globally recognised supply chain accreditation.
- Kyocera: QCC Excellence Award for 2025 (December 18, 2025).
- Konica Minolta: SQEL Activity Excellence Award (2025).
- Epson: Outstanding Partner Award for 2024 (awarded in 2025).
- Guangdong Top 500 Manufacturing Enterprises in 2025.
- Guangdong Province Department of Industry and Information Technology: Recognition as “Specialized, Refined, Distinctive, and Innovative Small and Medium Enterprise” (January 6, 2024 – January 5, 2027).
- Jiangsu Province Department of Industry and Information Technology: Recognition as “Specialized, Refined, Distinctive, and Innovative Small and Medium Enterprise” (December 2024 – 2027).

SUSTAINABILITY REPORT

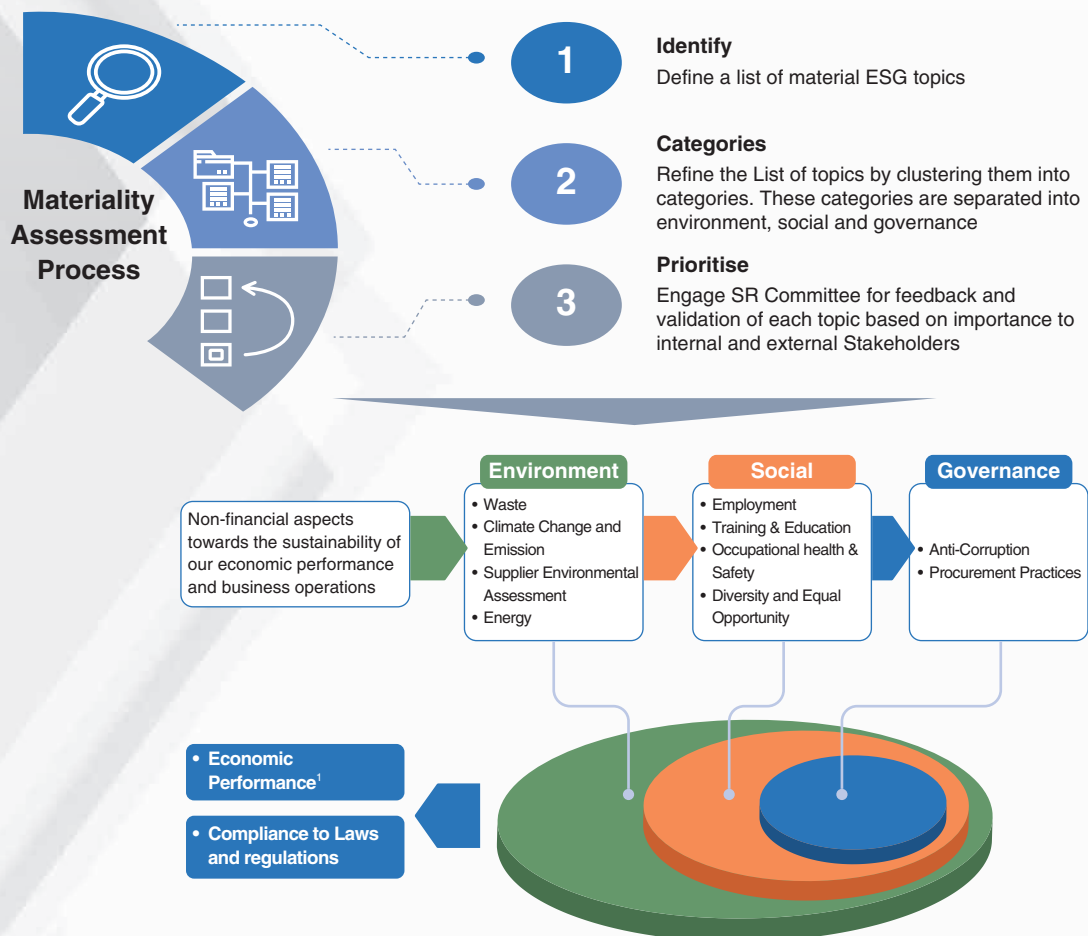
4. SUSTAINABILITY REPORT GOVERNANCE STRUCTURE

Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee, chaired by our Chief Executive Officer (“CEO”), Mr. Lou Yiliang, comprises senior management and board-level representatives from InnoTek’s various business units, who are responsible for implementing sustainability strategies and reporting on material ESG matters. The Board reviews and oversees the management and monitoring of the material ESG factors of the Group to ensure that sustainability matters are considered as part of its business strategy.

5. STRATEGIC APPROACH FOR SUSTAINABILITY

InnoTek firmly believes that sustainable business growth requires a balanced integration of economic performance, environmental stewardship, and social responsibility, ensuring our operations positively impact the environment and society while delivering long-term value to stakeholders. In FY’25, the Group continued to adopt a sustainability management approach broadly consistent with FY’24 and concluded that these identified topics remain material to the sustainability of our economic performance and business operations in FY’25.

Exhibit 1. An Overview of Our Approach to Sustainability Management






¹ Please refer to Financial Statement from page 81 onwards.

SUSTAINABILITY REPORT

6. STAKEHOLDER ENGAGEMENT

InnoTek recognises that understanding the demands and concerns of stakeholders is key to sustainable growth and regular engagement with stakeholders helps us better determine material focus areas. The Group operates and maintains multiple communication channels and platforms to understand stakeholders' requirements and feedback. In FY'25, the SR Committee has reviewed and ascertained that employees, customers, shareholders, investors, business partners, and subcontractors are our key stakeholder groups (See Exhibit 2).

Exhibit 2. Our Key Stakeholder Groups

	 How We Engage	 Main Concerns & Expectations	 We Respond
EMPLOYEES			
We recognise that our employees are fundamental to the Group's productivity and continuity. We aim to nurture them well to increase their engagement and contribution to the Group.	<ul style="list-style-type: none"> • Regular Meetings • Open feedback platform • Annual performance appraisals • Teambuilding activities 	<ul style="list-style-type: none"> • Department updates • Training & career development opportunities • Health & Safety • Job security 	By adopting sound HR policies and practices that promote fair treatment and safe working conditions, rewards and recognition.
CUSTOMERS			
We strive to maximise our customer satisfaction, to increase our sales and revenue. We ensure that we understand our customers' needs and expectations and we aim to build long-lasting relationships with our customers to win their support and confidence.	<ul style="list-style-type: none"> • Product sales channel • Customer service feedback • Regular direct engagement and active partnership 	<ul style="list-style-type: none"> • Product and service quality • Group's reputation in the market • Competition 	By establishing policies for quality control and assurance that ensure our goods are of excellent quality and to promptly address customer complaints.
SHAREHOLDERS & INVESTORS			
We aim to maintain profitability and maximise shareholders' return, as well as uphold a high standard of corporate governance and transparency.	<ul style="list-style-type: none"> • Company website, phone and email channels • AGM • Analysts/Investors meetings • SGX announcement and media release 	<ul style="list-style-type: none"> • Group strategic development • Current financial performance • Future business outlook 	By being transparent and proactive in engaging. The Group retains an investor relations firm to assist in the timely dissemination of material information.
BUSINESS PARTNERS AND SUBCONTRACTORS			
We work closely with our business partners and subcontractors to ensure that all our operations that were carried out are in line with our sustainability efforts and industry practices.	<ul style="list-style-type: none"> • Regular meetings and visits • Phone and email channels 	<ul style="list-style-type: none"> • Integrity and effectiveness of the tender process • Environmental, safety and health practices • Product and technology updates • Performance reviews 	By establishing policies and guidelines that ensure a fair selection and procurement process, and ethical business practices.

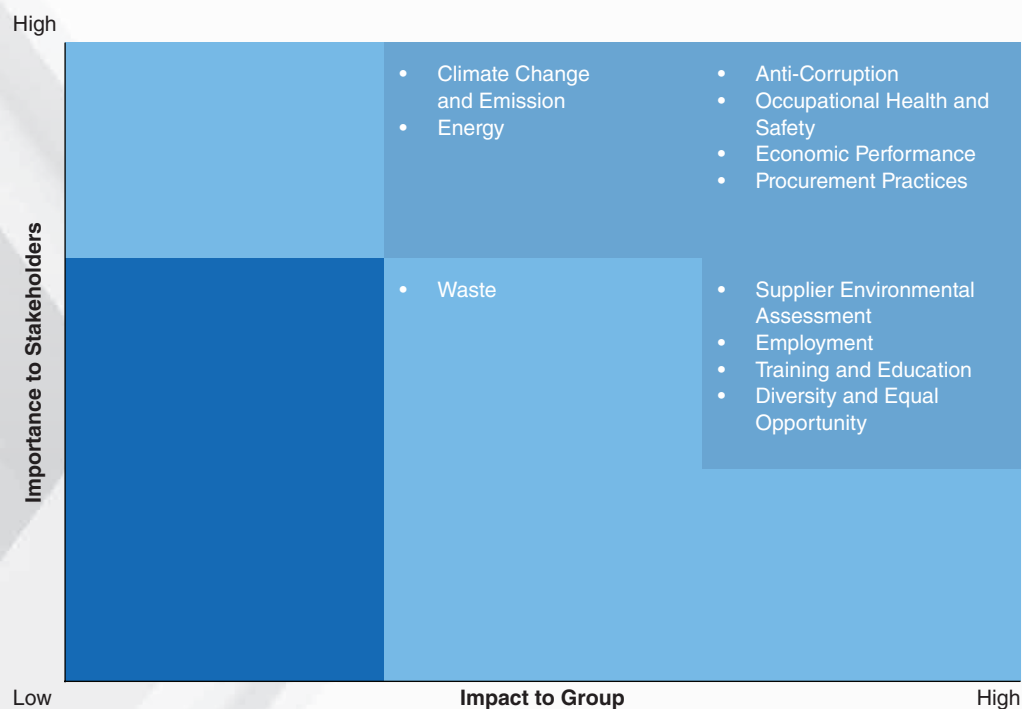
SUSTAINABILITY REPORT

7. MATERIALITY ASSESSMENT

Materiality with respect to sustainability reporting, as outlined by the GRI Standards, includes topics and indicators that reflect the organisation's significant economic, environmental, and social impacts; and would substantively influence the assessments and decisions of stakeholders.

Having considered key stakeholders' concerns and expectations, the SR Committee together with the Management have assessed and prioritised the material topics for the Group, as well as targets and commitments. Based on the topics identified, Management has evaluated these topics in the context of the Group's business and the geographies in which it operates, and has assessed their impact on the Group, taking into account their significance to key stakeholders and the Group, with impacts categorised as high, medium, or low.

InnoTek's Group Materiality Matrix



SUSTAINABILITY REPORT

8. ESG PERFORMANCE OVERVIEW

The material ESG topics set out below have been reviewed by the Board of Directors and are assessed to be relevant, specific and appropriate to InnoTek's operating context and current business environment. The Group adopted the recommendations of TCFD for climate-related disclosures. Moving forward, to keep abreast of critical issues, the Management will review InnoTek's material ESG topics against the changing business environment, stakeholder opinions, and emerging global and local trends annually. The following table provides an overall summary of the Group's ESG performance. Further details, explanations and contextual information are presented in the sections that follow.

Material Topics and Indicators	Reporting Period	
	FY'25	FY'24
Environmental		
Scope 1 emissions (tCO ₂ e) ²	2,168.36	711.28
Scope 2 emissions (tCO ₂ e) ²	11,803.82	12,976.07
Total Emissions (Scope 1 and Scope 2)	13,972.18	13,687.35
GHG emission intensity (tCO ₂ e/S\$'000 revenue) ²	0.066 ³	0.058
Total non-hazardous waste generated (tonnes)	8,950	9,399
Total hazardous waste generated (tonnes)	219	258
Fuel Consumption		
• Gasoline (litres)	54,583.60	46,739.11
• Diesel (litres)	43,633.69	42,247.76
• Natural Gas (m ³)	521,903.58	89,933.29
Electricity Consumption		
• Location based grid electricity (kWh)	25,275,583.43	26,720,678.38
• Self-generated renewable electricity (kWh)	3,593,315.04	2,977,457.61
• Purchased renewable electricity (kWh)	5,300,000	3,800,000
Number of new suppliers screened in compliance with environmental assessment requirements	165	86

2 GHG emissions are derived in accordance with the requirements of the "GHG Protocol Corporate Accounting and Reporting Standard". The Global Warming Potential dataset is based on the 2023 IPCC Sixth Assessment Report.

3 Excluding the contribution from MST, FY'25 GHG emission intensity would have been approximately 0.055 tCO₂e per S\$'000 revenue, representing a 6.45% decrease compared to FY'24.

SUSTAINABILITY REPORT

Material Topics and Indicators	Reporting Period	
	FY'25	FY'24
Social		
Employees		
• Male	1,153	1,161
• Female	714	774
• Full-time employees (number)	1,867	1,935
• New hires (number)	621	990
• Fatal accidents (number)	0	0
• Total turnover (number)	689	926
Average training hours per employee	13.6	12.9
Annual performance appraisal completion rate (%)	100	98
Governance		
Confirmed incidents of corruption or bribery	0	0
Incidents of non-compliance with regulations	0	0
Major safety issue and negative feedback	0	0
Percentage of materials purchased from local suppliers	90	93

9. ENVIRONMENTAL

To address global issues of resource scarcity and a changing climate, we recognise the importance of integrating environmental considerations into the Group's business decisions. We are committed to understanding, managing and minimising our environmental footprint across our value chain, including our business operations, suppliers and customers. Our environmental efforts are largely focused on maximising material utilisation and optimising energy consumption. We will continue to strengthen our expertise in the areas of environmental programs and be selective about the strategic initiatives that will yield a greater positive impact in the future.

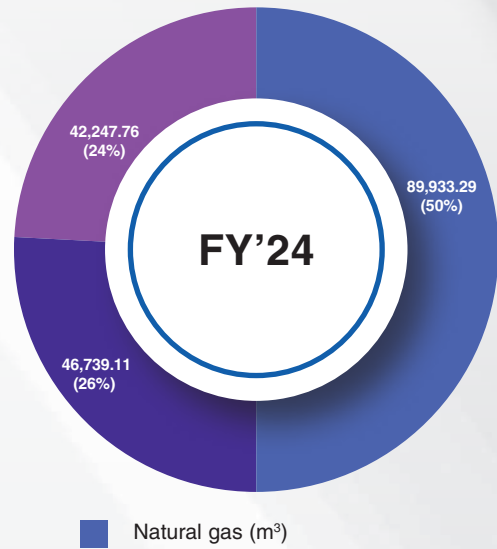
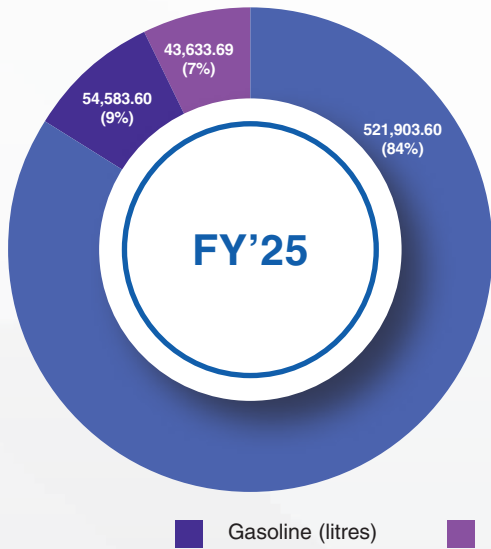
9.1 Energy Consumption

Effective energy management plays a vital role in precision manufacturing, directly influencing operational efficiency, cost control, and overall production quality. The Group's core production processes, such as metal stamping, precision machining, and surface treatment, are highly energy-intensive and rely on a stable and efficient energy supply to ensure consistent product quality, operational efficiency, and sustained customer satisfaction.

SUSTAINABILITY REPORT

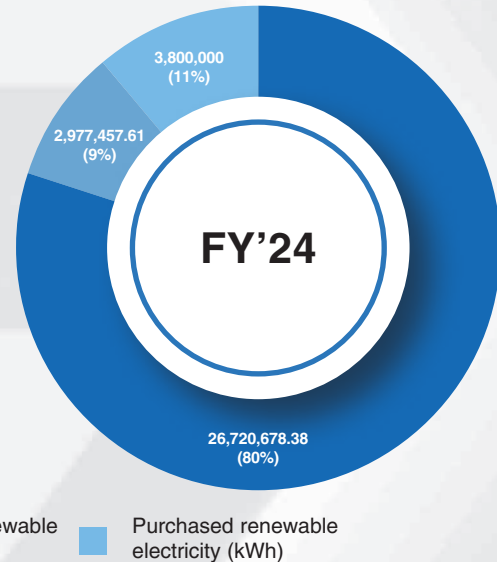
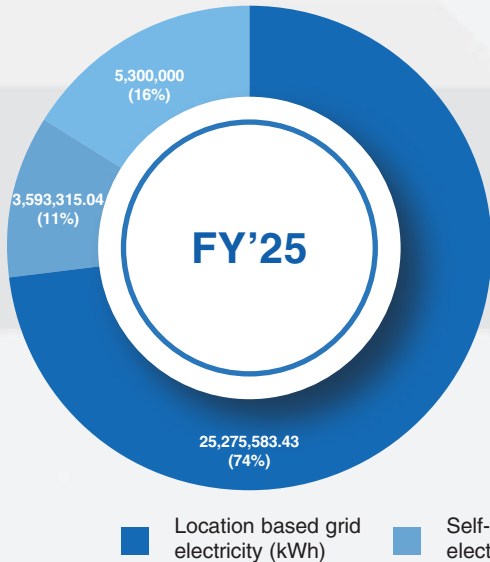
Our Performance and Targets

Fuel Consumption



Gasoline (litres) Diesel (litres) Natural gas (m³)

Electricity Consumption



Location based grid electricity (kWh) Self-generated renewable electricity (kWh) Purchased renewable electricity (kWh)

In FY'25, the Group's diesel consumption remained stable and changes in gasoline usage were not material to the Group's overall energy consumption. Natural gas consumption increased significantly during the year, primarily due to the inclusion of MST within the reporting boundary.

Prior to FY'25, surface-treatment processes were largely outsourced to third-party providers, and the associated energy use was not included within the Group's Scope 1 boundary. In FY'25, as part of the Group's strategic initiative to strengthen its integrated manufacturing capabilities, MST was established and its operations were consolidated into the Group's reporting scope.

SUSTAINABILITY REPORT

Surface-treatment operations have materially different energy consumption characteristics compared to stamping and machining activities, particularly due to their reliance on natural-gas-powered industrial drying processes requiring sustained high-temperature heat. As a result, the consolidation of MST structurally altered the Group's fuel mix and increased reported Scope 1 emissions and emission intensity during the reporting period.

Electricity consumption trends remained consistent with the prior year. The Group recorded a slight 5% decline in location-based grid electricity, which was offset by an expansion in renewable-energy use. In FY'25, MGX progressed its decarbonisation efforts through onsite solar photovoltaic generation, and the Group further strengthened its renewable-energy portfolio by purchasing Green Electricity Certificates ("GECs") corresponding to 5,300,000 kWh of renewable electricity. These initiatives are aligned with the National Energy Administration's ("NEA") efforts to broaden corporate uptake of GECs to support China's transition toward increased renewable-power consumption.

Collectively, the growth in self-generated and purchased renewable electricity reduced reliance on fossil-fuel-based grid electricity and contributed to lowering the Group's Scope 2 emissions, reinforcing its transition toward a cleaner and more resilient energy mix.

The Group will continue to prioritise and expand projects aimed at enhancing energy efficiency and decreasing energy intensity. We will expand the deployment of renewable energy solutions and continuously monitor and analyse energy consumption patterns to achieve reductions in overall energy intensity.

9.2 Climate Change

Recognising the global challenges of resource scarcity and climate change, the Group acknowledges its responsibility to minimise environmental impacts within its operations and supply chain. It remains committed to environmental preservation by implementing green practices to reduce energy consumption and greenhouse gas (GHG) emissions.

In FY'25, the Group continued to apply the TCFD framework in reporting its climate-related risks and opportunities. Under Singapore's phased roadmap for mandatory climate reporting, only Scope 1 and Scope 2 GHG emissions are required for SGX-listed issuers from FY'25, which the Group already discloses, while the broader ISSB S2 climate-related disclosure requirements will apply to listed companies by FY2030. To prepare for this transition, the Group conducted a gap analysis during the year to assess its current disclosures against the International Sustainability Standards Board ("ISSB") S2 requirements. Guided by the findings, the Group will progressively strengthen its governance, strategy, risk-management, and metrics-and-targets disclosures to achieve full ISSB S2 alignment by FY2030, in line with Singapore's climate-reporting roadmap for listed issuers.

SUSTAINABILITY REPORT

Governance

- The Board of Directors provides overall oversight of the Group's sustainability agenda, including all ESG material topics and climate-related risks and opportunities. These matters, together with the associated performance metrics, are regularly reported to the Board.
- The SR Committee, led by the CEO and senior management, along with board-level representatives from InnoTek's various business units, is responsible for formulating, implementing, and reviewing the Group's sustainability policies and processes.

Strategy

- Climate-related risks and opportunities are evaluated in the context of the Group's strategic direction and sustainability priorities, with assessments conducted across the short-, medium-, and long-term to determine their potential impact on the Group.
- The Group conducted a qualitative scenario analysis to evaluate how evolving climate-related risks will have an impact on its operations. Using relevant time horizons and the Intergovernmental Panel on Climate Change ("IPCC") Shared Socioeconomic ("SSP") scenarios, the assessment explored a range of plausible climate futures, enabling the Group to evaluate its resilience under different climate scenarios and understand potential long-term impacts on its business.

In FY'25, the Group refreshed its climate-related risks and opportunities to reflect evolving market dynamics, regulatory developments, and sectoral insights. To facilitate this analysis, a qualitative scenario analysis was conducted to assess the potential impacts of these risks under different climate pathways and time horizons.

The analysis was guided by the SSPs developed by the IPCC. SSP1 (Sustainability) and SSP5 (Fossil-fueled Development) were selected to represent low emission and high emission pathways respectively, enabling the Group to evaluate both transition and physical risks under contrasting global pathways. Each climate-related risk was assessed using the Group's internal risk parameters to ensure consistency with the Group's broader risk management practices and to support the prioritisation of climate-related risks across operational and strategic planning.

Risk Management

- Climate risks and opportunities have been integrated as part of the Group's overall risk management process.
- In FY'25, the Group conducted a climate-risk workshop to reassess the potential impacts of climate-related risks on its operations. The session incorporated input from Management to ensure that the identified climate-related risks remain relevant and reflective of the Group's evolving operating environment.

Metrics

- The Group continues to report its Scope 1 and 2 GHG emissions and material climate-related risks.
- The Group will work towards alignment with the ISSB S2 climate-related disclosures requirements for future reporting, aligned with Singapore's enhanced sustainability reporting requirements by FY2030.

SUSTAINABILITY REPORT

This exercise supports the Group's ongoing efforts to integrate climate resilience into its governance and risk oversight processes. The table summarises the key parameters and outcomes of the qualitative scenario analysis, including scenarios assessed, time horizons and indicative risk ratings.

Parameters			
Countries in Scope	<ul style="list-style-type: none"> China Thailand Vietnam 		
Time Horizons	<ul style="list-style-type: none"> Short term: 2030 Medium term: 2040 Long term: 2050 		
Key Assumptions	SSP1	SSP5	
	Low carbon scenario, high focus on sustainability	High carbon scenario, high focus on economic growth and has a heavy reliance on fossil fuels	
	The increase in temperature is kept below 2°C	The increase in temperature is between 4.7°C to 5.1°C	
Risk Ratings	Low	Moderate	High
	Little financial loss. May not require attention of management. Process changes likely not required in response to risk occurrence	Financial loss is moderate, could be significant, and may require public disclosure. Management needs to be involved with the issue and focus on completing it within a timely manner.	Very significant financial loss and ultimately could jeopardise the ability of the organisation to continue without major changes. May require regulatory communication.

The table below summarises the Group's qualitative assessment of key climate-related risks under two contrasting climate pathways and across different time horizons. SSP1 represents a lower-emissions, sustainability-focused pathway, where stronger policy, technology and market shifts are expected and transition-related pressures may arise earlier. SSP5 represents a higher-emissions, fossil-fuel-intensive pathway, where the pace of transition may be slower but physical climate impacts are expected to be more pronounced over time.

For each risk, the Scenario/Time Horizon of Impact columns indicate (i) the relative risk level (Low/Moderate/High) and (ii) the time horizon when that risk is expected to be most significant – short term (to 2030), medium term (to 2040), and long term (to 2050). The Potential Financial Impact column describes the directional nature of impact (e.g., increased costs, reduced revenue, or asset value impacts) and is not a quantified financial estimate.

SUSTAINABILITY REPORT

Climate-related Risk		Scenario/Time Horizon of Impact		Potential Financial Impact
		SSP 1	SSP 5	
Physical	Acute – Extreme Weather Events Extreme weather events refer to sudden and extreme climate events (e.g., floods and severe storms) that cause asset and financial damage to the Group and its upstream supply chain.	Low	Moderate – High	Increased costs & reduced asset value
		Short – Medium term	Medium – Long term	
	Chronic – Change in Climate Patterns Long-term shifts in climate patterns, such as rising temperatures, sea levels, and changing precipitation, pose significant challenges to the Group's operations and infrastructure, impacting both its supply chain and core business activities.	Low	Moderate	Increased cost & reduced revenue
		Medium – Long term	Medium – Long term	

Climate-related Risk		Scenario/Time Horizon of Impact		Potential Financial Impact
		SSP 1	SSP 5	
Transition	Policy & Legal – Adaptation to New Regulatory requirements Inability to adapt to evolving local climate regulations on greenhouse gas emissions, including carbon pricing and energy standards, may result in non-compliances and financial penalties.	Moderate	Low – Moderate	Increased cost
		Short – Medium term	Medium – Long term	
	Technology – Adoption of Low-Emission Technology Increased costs and challenges of adopting low-emission technologies, potentially leading to asset obsolescence and market shifts.	Moderate	Low – Moderate	Increased cost & reduced asset value
		Short – Medium term	Medium – Long term	
	Market – Shifting Consumer Preferences As consumers increasingly shift toward sustainability, failure to adapt to these evolving preferences may lead to revenue loss and diminished market share.	Moderate	Low – Moderate	Reduced revenue
		Short – Medium term	Medium – Long term	
	Reputation – Changing Stakeholder Perceptions Inability to address changing stakeholder perceptions of a company's climate actions can negatively impact customer loyalty, brand reputation and overall stakeholder confidence.	Low	Low	Reduced revenue
		Short – Medium term	Medium – Long term	

SUSTAINABILITY REPORT

In summary, under the SSP1 low-carbon scenario, a faster pace of climate-related policy development, market shifts, and technological adoption is expected, resulting in more immediate exposure to compliance obligations, accelerated investment requirements, and operational adjustment pressures, with several risks emerging in the short to medium term.

In contrast, under the SSP5 high-carbon scenario, systemic transitions progress more slowly, and associated risks tend to be regional, gradual, and longer-term, leading to an overall lower level of impact compared to the low-carbon pathway. Across both scenarios, reputational risk remains low and is not anticipated to materially affect the company's operational stability.

Recognising the impact of climate-related risks, the Group is actively pursuing opportunities to reduce emissions, improve operational efficiency, and support long-term sustainability. Key initiatives introduced or expanded in FY'25 include the following:

Climate-related Opportunities	Initiatives undertaken by the Group
Resource Efficiency	<ul style="list-style-type: none"> Procurement of green electricity certificates to reduce reliance on fossil fuel generated electricity. Continued collaboration with suppliers to enhance packaging recycling material and increase reuse frequency.
Product and Services	<ul style="list-style-type: none"> The Group is continuously exploring opportunities to implement new technologies and develop sustainable infrastructure to support business growth and meet customer low-carbon requirements.
Markets	<ul style="list-style-type: none"> Due to the increasing requirements on GHG emissions in Europe, the Group is exploring emerging technologies and infrastructure opportunities to better position itself in the market to meet these demands in Europe.
Energy Source	<ul style="list-style-type: none"> Solar photovoltaic panels installed at multiple facilities at SMW, SZM and MGX, and setting up new energy vehicle charging points.
Resilience	<ul style="list-style-type: none"> Upgrading air compressors, adopting electric forklifts, recycling wastewater, and diversifying raw material suppliers enhance operational resilience and reduce reliance on single sources, mitigating climate-related risks.

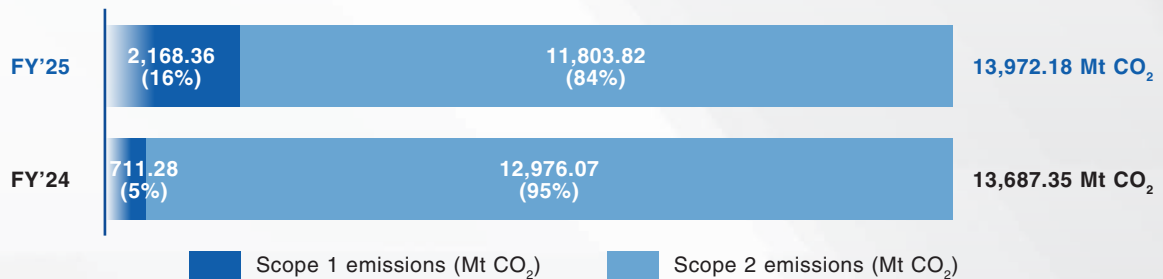
The SR Committee will continue to assess climate-related opportunities on an ongoing basis, collaborating with external experts to enhance the Group's resilience and mitigate the financial impact of climate-related risks. This includes evaluating risks such as supply chain disruptions caused by extreme weather events and regulatory changes related to GHG emissions. Additionally, the Group will continue to assess the potential financial implications of these risks and incorporate the insights into its long-term financial and strategic planning.

SUSTAINABILITY REPORT

Our Performance and Targets

Refer to the table below for a summary of GHG emission performance.

Breakdown of GHG Emissions



GHG Emission	FY'25	FY'24
Total GHG emissions (tCO ₂ e)	13,972.18	13,687.35
GHG emission intensity (tCO ₂ e/Revenue SGD '000)	0.066	0.058

The increase in emission intensity during FY'25 was primarily attributable to the inclusion of MST within the reporting boundary. As MST's surface-treatment operations are more energy-intensive than the Group's traditional stamping activities, its consolidation structurally impacted the Group's reported carbon intensity. On a like-for-like basis excluding MST, emission intensity would have declined by 6.45% to 0.055 tCO₂e compared to the previous year.

Scope 2 emissions decreased by approximately 9% in FY'25. The reduction was mainly due to lower reliance on fossil-fuel-based grid electricity, supported by increased utilisation of renewable energy sources, including expanded solar photovoltaic generation and the purchase of GECs.

9.3 Waste

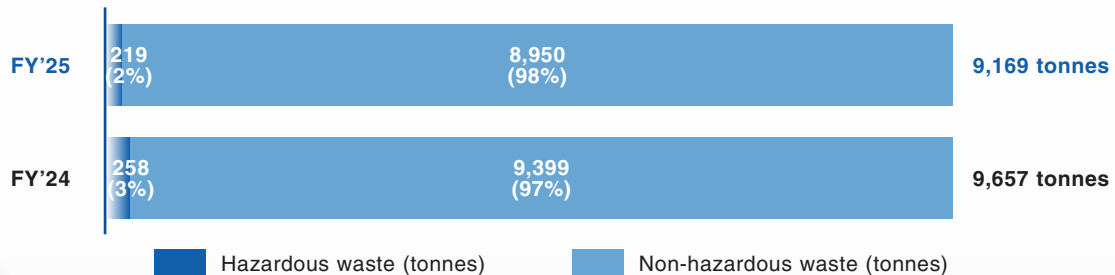
The management of effluents and waste is critical to sustainable development. The Group closely monitors its discharges to the environment and seeks to reduce associated environmental impacts. It is thus vital to prioritise sustainable waste disposal methods, such as reusing, recycling and recovery that minimise residual effects. Proper treatment of our effluents is also crucial to prevent hazardous substances from entering ecosystems and accumulating along the food chain.

The Group is committed to strengthening its management of waste generation, actively promoting reuse and recycling, and responsibly managing waste when reuse or recycling is not feasible. We have launched various initiatives to encourage the use of renewable materials in packaging. Hazardous waste is managed, stored, and disposed of in strict compliance with local regulations and by adopting industry best practices, thereby preventing environmental harm. The Group places particular emphasis on the safe disposal of waste to minimise potential risks of environmental contamination, especially from chemical waste, which poses significant threats to public health and the environment.

SUSTAINABILITY REPORT

Our Performance and Targets

Breakdown of Waste Generated



In FY'25, total hazardous waste decreased compared to FY'24, mainly due to a significant reduction in hazardous wastewater from VNM, which declined from 125 tonnes to 53 tonnes, reflecting lower operational activity during the reporting period. Hazardous waste generated during the reporting period was mainly attributed to VNM and MGX, with hazardous wastewater accounting for over 84% of the total. As wastewater treatment is managed by licensed third-party service providers, detailed data on hazardous solid residues generated during the treatment process were not available to the Group. Therefore, as a conservative and prudent approach, all hazardous wastewater volumes were classified as hazardous waste.

The Group will continue to strengthen its engagement with licensed third-party service providers to enhance data accuracy and completeness. All hazardous waste generated during the reporting period was managed by licensed third-party service providers in full compliance with local regulatory requirements.

Non-hazardous waste primarily comprised of packaging and production-related materials such as paper, plastic and metal, which generally have high reuse or recycling potential. More than 96% of non-hazardous waste generated during FY'25 was recycled or reused by licensed collectors, where applicable. There were no incidents of environmental non-compliance.

The Group remains committed to maintaining full regulatory compliance in waste handling and will continue to identify opportunities to minimise waste generation and reduce its environmental impact.

SUSTAINABILITY REPORT

9.4 Supplier Environmental Assessment

The Group has established a supplier selection process aimed at prioritising suppliers who demonstrate sound environmental management practices aligned with our sustainability objectives. This approach applies to suppliers across the following categories:

- Raw materials
- Production accessories
- Tooling
- Subcontracting
- Transport and logistics
- Calibration

During supplier onboarding, the Group assesses suppliers based on several criteria, including (i) Environmental Impact, (ii) Human Rights, (iii) Occupational Health and Safety, (iv) Ethical Business Practices, (v) Track Record, and (vi) Financial Stability. Suppliers must demonstrate a commitment to providing high-quality raw materials and services while adhering to health and safety standards.

Key raw material suppliers are also required to provide environmental certifications to confirm compliance with legal regulations. In addition, for existing key suppliers, the Group conducts periodic assessments of their ESG management capabilities through ESG-related questionnaires and evaluation tools. These assessments support ongoing engagement with suppliers and help promote continued alignment with the Group's ESG expectations across the supply chain.

Our Performance and Targets

In FY'25, the Group conducted environmental assessments for a total of 165 new suppliers, achieving a 100% completion rate prior to onboarding. In addition, key suppliers providing critical materials and surface treatment services were subject to on-site evaluations to assess their environmental management capabilities.

Based on insights obtained from these assessments, the Group engaged with relevant suppliers to highlight areas for improvement and to support their efforts to enhance environmental performance, with the aim of promoting closer alignment with InnoTek's standards and expectations.

Building on the environmental assessment results for new suppliers, the Group continued to strengthen its supplier evaluation approach through selective on-site visits and reviews, where appropriate. The Group also maintained ongoing engagement with suppliers to explore opportunities related to greener raw materials, cleaner energy solutions and other sustainability-related initiatives. These efforts are intended to support the identification of potential ESG risks within the supply chain and to encourage continuous improvement in suppliers' ESG management practices through collaborative engagement.

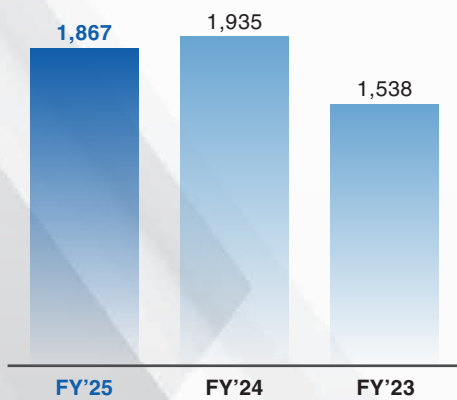
SUSTAINABILITY REPORT

10. SOCIAL

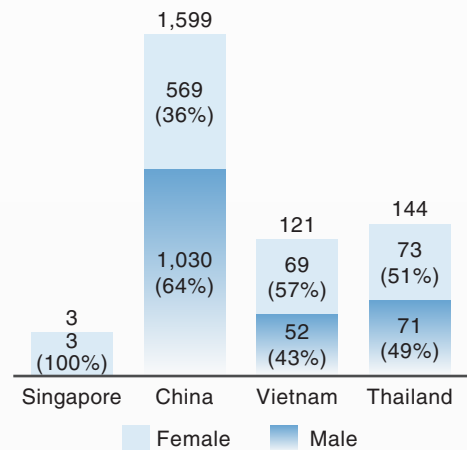
10.1 Employment

Our employees are among our most valuable assets, and the Group is committed to fair employment practices, upholding human rights principles, and investing in the development and training of our people. To ensure data accuracy of employment figures, the Group defines full-time employees as those with a direct employment relationship with the company. Dispatched workers are not included in this definition, as they are employed by service agencies that act as contractors for the company. As at 31 December 2025, the Group employed a total of 1,867 employees. Overall headcount remained relatively stable during the reporting period. Details are set out below:

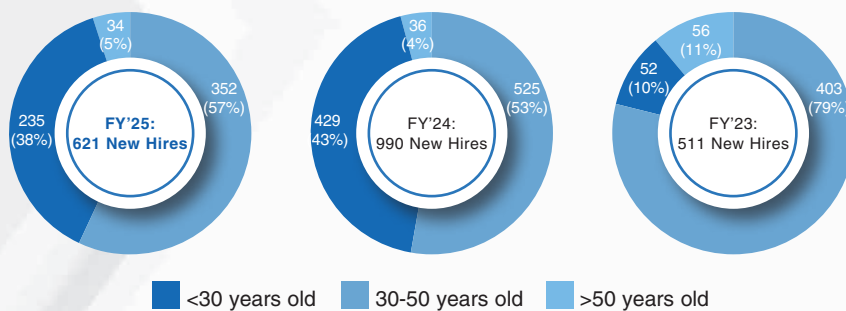
Total Number of Employees per Year



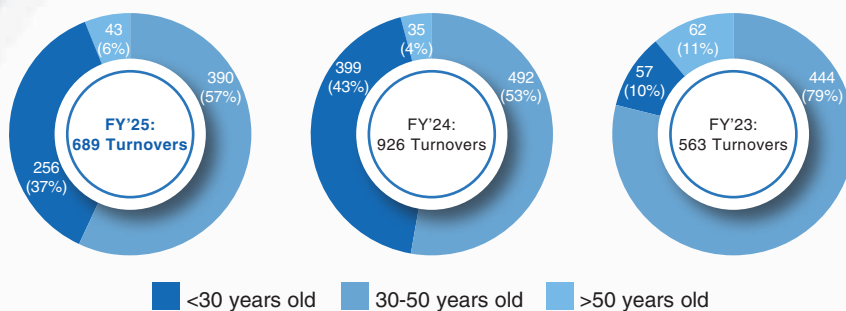
Total Number of Employees per Country & Gender Breakdown in FY'25



Total Number of New Hires & Age Breakdown per Year



Total Number of Turnovers & Age Breakdown per Year



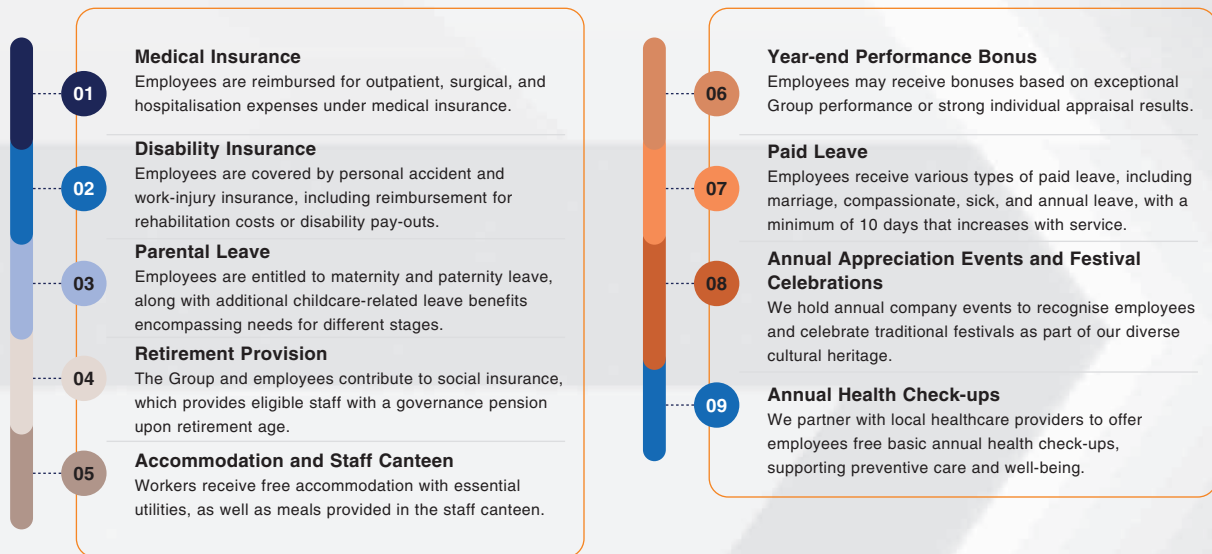
SUSTAINABILITY REPORT

In FY'25, the Group's reported employee headcount decreased by 68 compared to FY'24. Despite this year-on-year reduction, the overall size of the workforce remained broadly stable. Total employee turnover in FY'25 also declined compared to FY'24. However, due to the nature of the manufacturing industry, a certain degree of workforce fluctuation is expected. Seasonal variations in customer demand led to the engagement of a higher number of short-term production line workers during peak periods, resulting in comparatively higher turnover rates and more frequent recruitment activities. These fluctuations are considered part of the Group's normal operational dynamics.

The Group is committed to cultivating an inclusive and high-performance work environment that supports the attraction, retention, and development of its workforce. As an equal opportunity employer, the Group has established policies and practices to ensure fair treatment and equal opportunities for all employees, and employees are expected to comply with all applicable employment policies and standards of conduct. The Group also actively promotes diversity within its middle management, recognising that a diverse leadership base contributes to enhanced creativity, innovation, and organisational culture.

Employee Remuneration and Benefits

The Group values the contributions of all employees and prioritises fair and competitive salary packages that are sufficient to attract, retain, and motivate staff. When establishing these packages, the Group considers regulatory requirements and benchmarks against industry standards. Additionally, alongside the competitive remuneration provided in FY'25, the Group maintains a list of employee benefits, including but not limited to:



The Group remains committed to fostering a diverse and inclusive workforce and continues to strive for a 100% return-to-work rate among female employees returning from maternity leave. In FY'25, fifteen female employees returned to work after completing maternity leave during the reporting period.

The Group is in full compliance with local labour regulations across our operations, as well as minimum wage laws, where such laws exist. We are dedicated to constantly reviewing our employment policies, benefits and remuneration practices to ensure compliance with the updated employment laws and keep up with the best industry practices to provide the optimal working conditions for our people.

The Group strives to continuously cultivate a transparent and inclusive environment for all employees, as well as ensure a top-down approach to promote fair and ethical business dealings. We maintain our zero-tolerance stance on unethical labour practices such as child labour, forced labour, slavery, and human trafficking throughout our entire organisation.

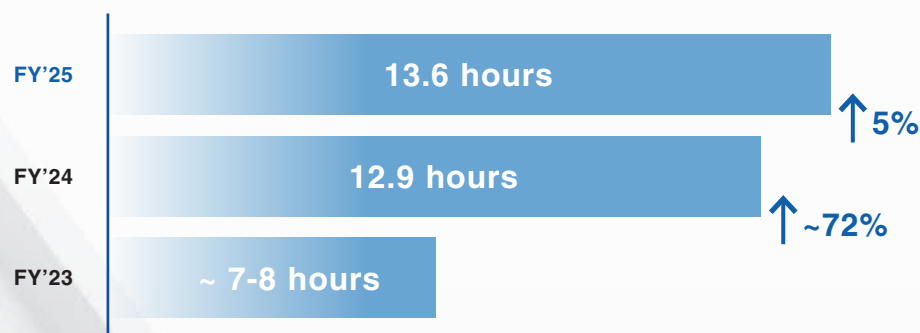
SUSTAINABILITY REPORT

10.2 Training & Education

The Group recognises the need for employees to stay informed and continuously update their skill sets in an ever-changing work environment. To encourage and support our employees in honing their skills and developing a fulfilling career, both on-the-job and ad-hoc training are made available to our employees. Employees are encouraged to attend courses which are relevant to their respective job scopes.

Our Performance and Targets

Average Training Hours per Employee



In FY'25, the average training hours per employee increased compared to prior years. This increase was primarily driven by expanded training programmes for front-line operators, focusing on safety awareness and production efficiency, as well as training related to the adoption and use of management software systems, together with strengthened compliance training provided to employees across the Group. These initiatives contributed to the overall increase in training hours during the reporting period.

Looking ahead to FY'26, the Group will continue to invest in employee training and progressively enhance its skills development programmes. Training plans will be informed by evolving business requirements and employee feedback, with the aim of supporting the professional development of front-line employees and strengthening managerial and functional expertise. These initiatives are intended to support effective utilisation of human capital and contribute to sustained organisational performance.

Career Development Review

In FY'25, the Group conducted performance appraisals for all employees in accordance with its appraisal policy, supporting fair and consistent evaluation based on employees' roles, experience, qualifications and performance. Performance appraisal outcomes are taken into consideration in decisions relating to career development, including promotion opportunities, salary adjustments and variable bonus awards, in line with the Group's established policies and practices.

The Group will continue to strengthen its employee performance review processes by integrating training outcomes with performance appraisal results. This approach supports a more holistic assessment of employee development, enabling Management to better evaluate the effectiveness of training initiatives and to align capability development with performance expectations and career progression over time.

SUSTAINABILITY REPORT

10.3 Occupational Health & Safety

Safety is an integral part of our business and a key focus area for both our Board and Management. The Group recognises that it is the company's responsibility to ensure that employee safety remains a top priority. We firmly believe that all employees deserve a safe and healthy workplace, and providing such an environment boosts workforce morale, productivity, and efficiency.

Occupational Health & Safety Management Framework

As a group, we assessed the risk of specific occupational health risks that may occur due to workplace conditions. Based on internal assessments and feedback from our employees, we have identified the following as key high-risk occupational health concerns, together with the measures implemented to mitigate these risks:

- Impairment in hearing (Stamping);
- Visual impairment (Welding); and
- Respiratory damage (Painting and surface treatment)



Processes are in place to identify, mitigate and report risks and communicate best practices across the Group, and we work with our employees and stakeholders to ensure that they understand our requirements and expectations.

We have established a Safety Committee to facilitate the physical supervision of workplace safety, and the communication of Workplace Safety and Health (“WSH”) related messages. Each entity has its own Safety Committee, which comprises both employee and employer representatives. The Safety Committee oversees subsidiaries’ operations to ensure that safety standards are always upheld and in line with industry-leading practices. In addition, the role and responsibilities of the Safety Committee include reviewing, implementing and reinforcing safety standards and regulations to ensure all safety risks are adequately mitigated. The Safety Committee members meet regularly to review safety inspection results, infrastructure and incidents, as well as to coordinate and organise workplace safety-related activities.

The Group seeks to learn from past mistakes and strives to prevent similar incidents from recurring. All near-miss incidents and accidents are promptly reported to the Safety Committee, which will provide timely incident analysis briefings to employees. These safety briefings aim to strengthen the safety awareness of employees and to remind them of established safety measures and precautions, as well as safety protocols in the event of similar incidents.

We also ensure that each worker is well protected before the start of each assignment by updating personal protective equipment records to ensure that each worker is sufficiently equipped with protective gear. We have also developed a list of protocols and precautions for workers to ensure safety in the workplace.

SUSTAINABILITY REPORT

Our Performance and Targets

Category	FY'25 Total	FY'24 Total	FY'23 Total
Fatalities	0	0	0
High-consequence work-related injuries ⁴	2	0	0
Recordable work-related injuries	35	32	14
Occupational diseases	0	0	0

In FY'25, the Group refined the classification of work-related injuries in alignment with the GRI Standards to enhance the clarity, consistency and comparability of safety-related disclosures, and to avoid potential ambiguity in the interpretation of injury categories. Under this framework, work-related injuries are classified into four categories: Fatalities, High-consequence work-related injuries, Recordable work-related injuries, and Occupational diseases.

During the reporting period, no work-related fatalities or occupational diseases were recorded across the Group's operations.

Compared to prior years, the number of recordable work-related injuries increased slightly in FY'25. The Group also recorded two cases of High-consequence work-related injuries during the reporting period. The increase was associated with situations where established safety procedures and operating guidelines were not fully followed, as well as gaps identified in on-site safety management practices.

Comprehensive root cause investigations were carried out for all reported cases. Based on the findings, the Group implemented corrective and preventive action plans, enhanced compliance monitoring, and delivered targeted safety training programmes to relevant employees. These measures aim to address identified control gaps and minimise the likelihood of recurrence of similar safety incidents.

All reported cases were managed in accordance with the Group's workplace safety and medical support procedures. Of the two High-consequence injury cases, one worker has fully recovered and returned to normal duties, while the other is currently undergoing treatment and is expected to recover in FY'26.

The Group will continue to uphold its occupational health and safety standards and pursue continuous improvement in its operational health and safety management. Ongoing actions include reinforcing compliance with safety procedures, strengthening on-site supervision, addressing identified control gaps, enhancing safety training and communication, and refining preventive measures, with the objective of reducing the frequency and severity of workplace injuries over time.

⁴ High-consequence work-related injuries refer to work-related injuries that result in six months or more of absence from work, excluding fatalities, as defined under GRI 403: Occupational Health and Safety.

SUSTAINABILITY REPORT

10.4 Diversity and Equal Opportunities

The Group is committed to fostering a diverse, inclusive and respectful workplace where employees are treated fairly and provided with equal opportunities, regardless of gender, age, ethnicity, religion, nationality or other personal characteristics. Diversity and equal opportunity are regarded as important enablers of sustainable growth, organisational effectiveness and employee engagement.

As the Group continues to operate across multiple jurisdictions, diversity considerations are increasingly relevant to its workforce composition and management practices. The Group recognises the value of diversity at different organisational levels and seeks to promote equal opportunities in access to employment, training and career development.

Our Performance and Targets

Age Group	Male	Female
< 30 years old	160	99
30 – 50 years old	824	511
> 50 years old	169	104

The Group is committed to cultivating an inclusive and high-performance work environment that attracts, retains, and develops a diverse workforce. As an equal opportunity employer, the Group has established policies and practices to ensure fair treatment and equal opportunities for all employees. Discrimination on the basis of religion, age, ethnicity, physical disability, or gender is not tolerated.

To support a respectful and inclusive workplace, employees are expected to adhere to all applicable employment policies and standards of conduct. The Group maintains clear processes to promote fairness and address workplace concerns, reinforcing accountability and consistent application of its non-discrimination principles.

The Group also recognises the importance of diversity at the management level and actively promotes diversity within middle management to enhance creativity, innovation, and organisational culture. During FY'25, no instances of discrimination were reported by employees.

11. GOVERNANCE

11.1 Anti-Corruption

The Group is committed to upholding the highest standards of corporate governance and business integrity across its business activities, which are essential for the long-term viability of the Group's operations and the enhancement of shareholder value. The Board undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy and procedures which provide employees with well-defined and accessible channels within the Group. Suspected bribery, corruption, dishonest practice, or other similar matters will be reported directly to the Audit and Risk Management Committee.

SUSTAINABILITY REPORT

The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, protected from reprisal. The policy and its effectiveness will be reviewed and updated by the Audit and Risk Management Committee periodically, as and when it is deemed necessary.

Additionally, when dealing with external counterparties, the Group engages in various practices to ensure ethical conduct. This includes signing supplier commitment letters and incorporating anti-commercial corruption clauses into contracts. Furthermore, employees in supervisory roles and higher (including employees in the purchasing and sales department) are required to sign the “Conflict of Interest Statement and Integrity Commitment”.

Our Performance and Targets

In FY’25, there were no reported incidents of regulatory non-compliance across the Group’s operations. No cases relating to bribery, corruption or unethical conduct were reported through the Group’s whistle-blowing channels during the reporting period.

Additionally, in response to the increasing complexity of compliance risks arising from the Group’s international operations, the Group consolidated its existing requirements and formally issued a Group-wide Code of Ethics and Integrity Policy, together with detailed implementation guidelines. These documents articulate the Group’s zero-tolerance approach to corruption and provide clear guidance on expected standards of conduct and prohibited behaviours.

Building on the issuance of the policies and guidelines, the Group conducted compliance and integrity training for employees during FY’25 to enhance awareness of anti-corruption requirements and ethical business practices across the organisation.

The Group will continue to uphold its zero-tolerance stance towards corruption and unethical conduct by reinforcing its governance framework, maintaining effective whistle-blowing mechanisms, and strengthening employee awareness through ongoing communication and training, with the objective of promoting a strong culture of integrity and compliance.

11.2 Procurement Practices

The Group firmly believes that its suppliers and subcontractors are key business partners which create a positive economic impact, thus enhancing stakeholders’ returns. In this respect, the Group maintains a stringent vendor selection process, which is based on the vendors’ track records and adherence to occupational health and safety standards. We have also developed procurement policies and guidelines to guide our procurement processes, such as:

- Guidelines and procedures on selection and evaluation of new suppliers and/or subcontractors; and
- Guidelines and procedures on monitoring over suppliers and/or subcontractors.

In addition, the Group has conducted supplier assessments as described in Section 9.4 Supplier Environmental Assessment. Partners and suppliers are encouraged to continuously improve sustainable practices to reduce potential negative impacts on the environment. We consider potential new suppliers’ sustainability performance and practices as one of the main components in our supplier evaluation process.

SUSTAINABILITY REPORT

Our Performance and Targets

The Group purchases a range of raw materials from its suppliers, with aluminium and steel being our main raw materials. In FY'25, approximately 90% of raw materials were procured from local suppliers. Non-local procurement primarily arose from customer-specified requirements, where certain raw materials were required to originate from overseas manufacturing locations in accordance with customer specifications. During the reporting period, the Group's purchases amounted to SGD 84.0 million (FY'24: SGD 89.4 million).

We remain fully committed to prioritising suppliers with sustainable practices while contributing to positive economic and social impacts in the local communities where we operate. The Group will continue to identify risks, self-assess the adequacy and effectiveness of mitigating measures, and manage risks related to finance, operations, information technology, compliance, and reputation.

Please refer to the Accountability and Audit – Principles 9 & 10 section under Corporate Governance from pages 63 to 68 for more information.

11.3 Compliance with Laws and Regulations

The Group is committed to maintaining high standards of corporate governance and business conduct to uphold market integrity and safeguard the interests of our stakeholders for the long-term success of the Group. We aim to foster an organisational culture that promotes integrity and ethical business practices, including compliance with laws and regulations, respect for human rights, and environmental conservation.

The Group maintains zero tolerance for non-compliance and encourages our stakeholders to report any incidents via our established whistle-blowing channels. All employees of InnoTek are encouraged to be proactive and forthcoming in managing and reporting compliance-related issues and complaints.

Our Performance and Targets

To sustain a high level of compliance across the Group, Management has put in place processes to monitor changes in laws, regulations and regulatory expectations in the jurisdictions where the Group operates. This includes staying abreast of relevant legal and regulatory developments and aligning internal policies and business practices accordingly.

In parallel, the Group places emphasis on strengthening employees' awareness of compliance obligations through regular communication and training. These initiatives aim to reinforce a culture of integrity and compliance, ensuring that employees understand their responsibilities and are able to identify and escalate potential compliance-related issues in a timely manner.

In addition, the Group will continue to progressively integrate compliance considerations into relevant internal processes, including contract review, procurement and day-to-day operational decision-making, where applicable. Through these ongoing efforts, the Group seeks to maintain zero incidents of non-compliance and penalties in FY'26 and beyond.

FY'24 Performance	FY'24 Target	FY'25 Performance	FY'25 Target
Zero incidents of non-compliance and penalties	Maintain zero incidents of non-compliance and penalties	Zero incidents of non-compliance and penalties	Maintain zero incidents of non-compliance and penalties

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12. GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

Statement of use	The Group has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

Category	Disclosure	Description	Page Reference
GRI 2: General Disclosure 2021	2-1	Organisational details	(Pages 04, 17, 18)
	2-2	Entities included in the organisation's sustainability reporting	(Page 22)
	2-3	Reporting period, frequency and contact point	(Page 23)
	2-4	Restatements of information	(Page 23)
	2-5	External Assurance	(Page 23)
	2-6	Activities, value chain and other business relationships	(Pages 05, 06, 09)
	2-7	Employees	(Page 39)
	2-8	Workers who are not employees	Not Applicable
	2-9	Governance structure and composition	(Pages 25, 54 – 55)
	2-10	Nomination and selection of the highest governance body	(Pages 56 – 59)
	2-11	Chair of the highest governance body	(Page 56)
	2-12	Role of the highest governance body in overseeing the management of impacts	(Pages 23 – 25, 51 – 53)
	2-13	Delegation of responsibility for managing impacts	(Pages 51 – 53)
	2-14	Role of the highest governance body in sustainability reporting	(Pages 23 – 25)
	2-15	Conflicts of interest	(Pages 45, 66 – 68, 70 – 72)
	2-16	Communication of critical concerns	(Pages 44 – 45, 70 – 72)
	2-17	Collective knowledge of the highest governance body	(Pages 53 – 55)
	2-18	Evaluation of the performance of the highest governance body	(Page 59)
	2-19	Remuneration policies	(Pages 60 – 61)
	2-20	Process to determine remuneration	(Pages 60 – 61)

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Category	Disclosure	Description	Page Reference
	2-21	Annual total compensation ratio	(Page 62)
	2-22	Statement on sustainable development strategy	(Pages 23 – 24)
	2-23	Policy commitments	(Pages 02, 23 – 25)
	2-24	Embedding policy commitments	(Pages 02, 23 – 25)
	2-25	Processes to remediate negative impacts	(Pages 63 – 72)
	2-26	Mechanisms for seeking advice and raising concerns	(Pages 70 – 71)
	2-27	Compliance with laws and regulations	(Page 46)
	2-28	Membership associations	Not Applicable
	2-29	Approach to stakeholder engagement	(Page 26)
	2-30	Collective bargaining agreements	Not Applicable
GRI 3: Material Topics 2021	3-1	Process to determine material topics	(Page 27)
	3-2	List of material topics	(Page 27)
	3-3	Management of Material Topics	(Pages 29 – 46)
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	(Page 45)
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	(Pages 44 – 45)
GRI 302: Energy	302-1	Energy consumption within the organisation	(Page 30)
GRI 305: Emissions	305-1	Direct (Scope 1) Emission	(Page 36)
	305-2	Energy Indirect (Scope 2) GHG Emission	(Page 36)
	305-4	GHG Emission Intensity	(Page 36)
GRI 306: Waste 2020	306-3	Waste generated	(Page 37)
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	(Page 38)
GRI 401: Employment	401-1	New employee hires and employee turnover	(Page 39)
	401-3	Parental leave	(Page 40)
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	(Page 42)
	403-9	Work-related injuries	(Page 43)

SUSTAINABILITY REPORT

Category	Disclosure	Description	Page Reference
GRI 404: Training and Education	404-1	Average hours of training per year per employee	(Page 41)
	404-2	Programs for upgrading employee skills and transition assistance programmes	(Page 41)
	404-3	Percentage of employees receiving regular performance and career development reviews	(Page 41)

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CORPORATE GOVERNANCE

The Board and Management of InnoTek Limited (“InnoTek” or the “Company”) and its subsidiaries (together, the “Group”) firmly believe that good corporate governance is fundamental to the creation, protection and sustainability of the long-term value of the Company. We are committed to upholding and observing a high standard of corporate governance within the Group.

The Code of Corporate Governance was revised in August 2018 and this report (“Report”) outlines the corporate governance framework and practices adopted by the Company with specific reference made to the principles of the Code of Corporate Governance 2018 (“Code”). The Company has complied in all material aspects with the principles and guidelines laid down by the Code and in so far as the Company has not complied with any guideline, we have provided the reason.

The Group believes that corporate governance is not simply a matter of compliance with the Code, rather it is about embedding the right mindset in its people.

BOARD MATTERS – PRINCIPLES 1 TO 5

The Board’s Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company

The Company is headed by an effective Board which oversees the strategic direction, performance and affairs of the Group and provides overall guidance to Management.

The Board’s corporate objective is to achieve sustained value creation for all stakeholders. The Board is collectively responsible for overall corporate governance, strategic direction and formulation of policies to oversee the business, performance and affairs of the Group. The Board supervises the Management which has the role of ensuring that the day-to-day operation and administration of the Group are carried out in accordance with the policies and strategies determined by the Board, and in that respect, Management is fully accountable to the Board.

The principal functions of the Board are to:

- Act as the ultimate decision-making body of the Company, except with respect to those matters reserved to shareholders. All directors take decisions objectively in the interests of the Company;
- Represent shareholders’ interest in developing the Company’s businesses successfully including optimising long-term financial returns;
- Review and evaluate Management’s performance and ensure that Management is capable of executing its responsibilities;
- Act as an advisor to senior management; and
- Recognise its legal, social and moral obligations towards its stakeholders.

In addition to its statutory duties, the Board is also responsible for:

- Providing entrepreneurial leadership within a framework of prudent and effective controls which enable risks to be adequately assessed and managed;
- Ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and overseeing the Management of the Company and the Group;
- Approving of investment and divestment proposals;

CORPORATE GOVERNANCE

- Overseeing the processes for evaluating the adequacy of internal controls and risk management, financial reporting and compliance;
- Approving the nominations of board directors and overseeing succession planning. Assuming responsibility for compliance with the Companies Act and other regulatory bodies; and
- Setting the Company's values and standards and ensuring that its obligations to its shareholders and others are understood and met.

Financial and other matters that require the Board's approval are set out in the Group's Financial Procedures Manual ("FPM"). All policies and procedures on financial matters including approval limits and authorities are clearly defined in the FPM. Other matters specifically reserved to the Board for decision include strategic planning, corporate or financial restructuring, material acquisitions and disposals of assets, annual budget, capital expenditure, share issuances, share buy-backs and dividends.

To ensure that specific issues are subject to in-depth and timely review, certain functions have been delegated to various Board Committees, which would submit their recommendations or decisions to the Board. The Board Committees constituted by the Board are the Audit & Risk Management Committee, the Nominating Committee and the Remuneration Committee. Each Board Committee has its own terms of reference.

Board meetings are scheduled quarterly in a year, with two designated for approving the release of the Group's financial results. Ad hoc Board meetings are also held whenever the Board's guidance or approval is required. Important and critical matters concerning the Company are also tabled for the Board's decision by way of written resolutions, faxes and electronic mails. The Company's Constitution allows a Board meeting to be conducted by way of videoconference, teleconference and other forms of electronic communication.

A total of four Board meetings were held in 2025. The number of Board committee meetings as well as Board members' attendance thereat is set out below:

	Board (Board)	Audit & Risk Management Committee (ARMC)	Remuneration Committee (RC)	Nominating Committee (NC)
No. of Meetings Held	4	4	1	1
Name of Director	Attended	Attended	Attended	Attended
Mr. Neal Manilal Chandaria ⁽¹⁾	4/4	4/4	1/1	1/1
Mr. Lou Yiliang ⁽²⁾	4/4	4/4	1/1	1/1
Mr. Teruo Kiriyaama ⁽³⁾	2/4	2/4	1/1	1/1
Dr. Xu Jinsong	4/4	4/4	1/1	1/1
Mr. Ng Hin Lee ⁽⁴⁾	4/4	4/4	1/1	1/1
Mr. Hideaki Miyazawa ⁽⁵⁾	2/4	2/4	0/1	0/1

Notes:

- (1) Mr. Neal Manilal Chandaria's attendance at the meeting of the RC in 2025 was by invitation. Mr. Neal Manilal Chandaria was subsequently appointed as a member of the RC with effect from 12 November 2025.
- (2) Mr. Lou Yiliang's attendance at the meetings of the ARMC, RC and NC was by invitation.
- (3) Mr. Teruo Kiriyaama ceased to be a Director of the Company with effect from 29 April 2025. Mr. Teruo Kiriyaama attended all his meetings during his tenure of service in FY'25.
- (4) Mr. Ng Hin Lee was appointed as the Lead Independent Non-Executive Director with effect from 12 August 2025 and was subsequently appointed as Chairman of the NC with effect from 12 November 2025.
- (5) Mr. Hideaki Miyazawa was appointed as an Independent Non-Executive Director with effect from 12 August 2025 and was subsequently appointed as a member of the NC with effect from 12 November 2025. Mr. Hideaki Miyazawa attended all meetings of the Company held after his appointment.

CORPORATE GOVERNANCE

The Company recognises the importance of providing the Board with timely and complete information prior to its meetings and as and when the need arises.

In order to ensure that the Board is able to fulfill its responsibilities, the Management provides the Board with monthly financial reports, forecasts/budgets and other relevant information about the Group as well as revised budgets with an explanation for any material variance between the projection and the actual results of budgets. In addition, the Management provides adequate and timely information to the Board on affairs and issues that require the Board's attention and decision.

Board members have full co-operation from Management and separate and independent access to the senior management and the Company Secretary, who attends all Board and Board committee meetings.

The role of the Company Secretary is clearly defined and includes responsibility for ensuring that board procedures are followed and that the Company complies with the requirements of the Companies Act and all other applicable rules and regulations. The Company Secretary ensures that Board members are fully briefed and aware of their duties and responsibilities when making decisions. The Company Secretary also updates Directors on new developments in corporate governance, legal and regulatory matters. From time to time, the Company Secretary and the Management would inform the Board members of relevant seminars or courses conducted by the Singapore Institute of Directors and/or the Singapore Exchange Securities Trading Ltd for their information and participation. Apart from the above, the Company Secretary's responsibilities also include ensuring good information flow within the Board and its committees, and between senior management and non-executive directors. In accordance with the Company's Constitution, the appointment and removal of the Company Secretary is subject to the approval of the Board.

Board members are aware that they, whether as a group or individually, can have independent professional advice as and when necessary to enable them to discharge their responsibilities effectively. The cost of such professional advice is borne by the Company.

Training for Directors

Newly appointed Directors are briefed on the Group's business activities, strategic direction, and corporate governance practices as well as their statutory and other duties and responsibilities. In addition, new Directors are given a memorandum outlining their obligations, duties and responsibilities to the Company. As and when there are new regulations and changes to regulations and accounting standards which have an important bearing on the Company's or Directors' disclosure obligations, Directors will be briefed either during the Board meetings or through memoranda and emails. Where appropriate, Directors are encouraged to attend courses, conferences and seminars in relevant fields. The Company bears the registration process and course fees. All new Directors will also visit the Group's offices and plants overseas to familiarise themselves with the InnoTek Group's businesses.

With the introduction of Rule 210(5)(a) of the Listing Manual of the Singapore Exchange Securities Trading Limited Listing Manual ("SGX-ST") effective from 1 January 2019, directors who have no prior experience as directors of a Singapore-listed company must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX.

Pursuant to Rule 720(7) of the Listing Manual of the SGX-ST, the Directors have undergone training on sustainability matters as prescribed by the SGX-ST.

During FY'25, Mr. Hideaki Miyazawa was appointed as an Independent Non-Executive Director and a member of the NC. As Mr. Hideaki Miyazawa had no prior experience as a director of a Singapore-listed company, he attended the necessary training and completed the required courses on 20 March 2026, which was within the prescribed timeline. As part of his orientation and onboarding process, the Company, *inter alia*, arranged for Mr. Hideaki Miyazawa to visit the Group's overseas offices and manufacturing plants, as well as observe the business operations, to gain first-hand familiarity with the Group's business and operations. Mr. Hideaki Miyazawa also participated in orientation sessions with the other Board members.

CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company

As at the date of this Annual Report, the Board comprises five directors, three of whom are independent and non-executive:–

1)	Mr. Neal Manilal Chandaria	Non-Executive and Non-Independent
2)	Mr. Lou Yiliang	Executive and Non-Independent
3)	Mr. Ng Hin Lee	Non-Executive and Lead Independent
4)	Dr. Xu Jinsong	Non-Executive and Independent
5)	Mr. Hideaki Miyazawa	Non-Executive and Independent

With independent directors making up 60% of the Board, the Board is able to exercise objective judgement on corporate affairs independently, in particular from Management, as there is a strong and independent element on the Board.

Profiles of the current Directors are set out in the Board of Directors' section of this Annual Report.

The Board, through the Nominating Committee ("NC"), reviews from time to time the size and composition of the Board, with a view to ensure that the size of the Board is appropriate in facilitating effective decision-making taking into account the scope and nature of the operations of the Group and that the Board has a strong independent element.

The Board and the NC are satisfied that the structure, size and composition of the Board are currently appropriate given the size and geographic spread of its operations and the requirements of the business.

Board Diversity

The Company understands that a diverse Board with an appropriate mix of members with complementary skills, core competencies and experience, regardless of age or gender will better support the Company's achievement of its strategic objectives. With the introduction of Rule 710A of the Listing Manual of the SGX-ST effective from 1 January 2022, the Company has put in place a Board Diversity Policy, which sets out its policy for promoting diversity on the Board. It provides that, in reviewing the Board composition, the NC will take into consideration the skills, qualifications and business experience, apart from age, gender, and knowledge of the industry and the Company, in order to arrive at an optimum balanced composition of the Board. If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new director, the NC, in consultation with the Board, will consider the range of diversity perspectives, including, but not limited to, those described in the Board Diversity Policy and select the appropriate candidate for the position. The selection of the Directors will be based on merit and potential contribution to the Board, and candidates will be considered against objective criteria that complement and expand the skills and experience of the Board as a whole, and after having given due regard to the overall balance and effectiveness of a diverse Board. Details of the Board Diversity Policy have been made available to all Directors of the Company. In discharging their duties, the Board and the NC shall give due regard to the benefits of having a diverse Board and strive to ensure that the Board is appropriately balanced to support the sustainable development of the Company. The main objective is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the attainment of the Company's strategic objectives and its sustainable development. Such an approach to maintain a diverse satisfactory level of Board diversity is an ongoing process that may change over time as the business of the Group develops and will be disclosed as appropriate.

CORPORATE GOVERNANCE

With the core competencies of members of the Board in various fields of finance, business, management, industry and strategic planning, their stature, and wealth of international business experience, the NC is of the view that there is an appropriate balance and mix of skills, knowledge and experience on the Board, and the Company is well positioned to chart new frontiers for the InnoTek Group. The Directors actively participate and engage Management in setting goals and objectives for the Company and the Group and monitor the reporting of performance.

The Board is of the view that the current Board is sufficiently diversified with members possessing background, experience and skillsets that are appropriate and relevant to the needs and plans of the Company. The Board's target is to constantly strive to maintain and/or to improve diversity of its members as may from time to time be appropriate and relevant for the Board to function optimally and effectively. As of FY'25, the Company has a well-diversified Board with directors from different jurisdictions, such as Japan, China and Singapore, and possessing core competencies and experience in the finance and business industries, which serve the current and planned needs of the Company well. Accordingly, the Board is of the view that as of FY'25, it has sufficient diversity for this purpose.

The Company's current and continuing target is to ensure that its Board has and continues to have a sufficient mix of skills, knowledge and diversity relevant to the Company's needs, for the Board to function optimally and effectively. This target is reviewed and assessed periodically, and at least once annually.

The NC is responsible for reviewing the independence of each Director based on the guidelines set out in the Code. For FY'25, Mr. Ng Hin Lee, Dr. Xu Jinsong and Mr. Hideaki Miyazawa were considered by the NC to be independent as they do not have any significant business relationship with the InnoTek Group and neither are they related to any of the other Directors or substantial shareholders of the InnoTek Group. Annually, each independent director is required to submit a confirmation of independence based on the guidelines provided in the Code.

Each member of the NC and the Board recused himself from the NC's and the Board's deliberations respectively on his own independence.

As at the date of this Report, none of the other Independent Directors has served on the Board for more than nine years.

Composition of Board and Board Committees

Director	Board Membership	Audit & Risk Management Committee	Nominating Committee	Remuneration Committee
Mr. Neal Manilal Chandaria	Chairman, Non-Executive & Non-Independent Director	Member	Member	Member
Mr. Lou Yiliang	Executive & Non-Independent Director	–	–	–
Mr. Ng Hin Lee	Lead Independent Director	Chairman	Chairman	Member
Dr. Xu Jinsong	Independent Director	Member	–	Chairman
Mr. Hideaki Miyazawa	Independent Director	–	Member	–

The Non-Executive Directors participate actively in the meetings of the Board. They provide strategic guidance to the Company based on their professional knowledge, in particular, assisting in constructively developing proposals on strategy. They also review and monitor Management's performance. To facilitate this, they are kept informed of the Company's businesses and performances through regular reporting from Management and have full access to Management as and when the need arises. The chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

CORPORATE GOVERNANCE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making

The positions of Chairman and Chief Executive Officer (“CEO”) are separate and have always been held by two separate persons to ensure an appropriate balance of power and authority and a clear division of responsibilities and accountability between the leadership of the Board and Management and that no one individual has unfettered powers of decision-making.

The Chairman, Mr. Neal Manilal Chandaria, is a Non-Executive Director. The Chairman heads the Board and acts independently of Management to ensure its effectiveness in all aspects of its role. His primary role is to provide leadership to the Board and its Committees. With the support of the Company Secretary, he ensures Directors receive accurate, timely and clear information, fosters effective communication with shareholders, encourages constructive relations between the Board and Management, and among Directors, and promotes high standards of corporate governance.

The CEO, Mr. Lou Yiliang, is responsible for implementing the Group’s strategies and policies, and for management, operations and growth of the Group’s businesses.

In view of Mr. Neal Manilal Chandaria’s appointment as Chairman and Mr. Lou Yiliang’s appointment as CEO, Mr. Ng Hin Lee had been appointed as the Lead Independent Non-Executive Director of the Company to provide leadership in situations where the Chairman is conflicted and to ensure that a channel of communication is always available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate pursuant to Provision 3.3 of the Code. The Lead Independent Non-Executive Director is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman and Managing Director, Executive Director, General Manager or Group Chief Financial Officer has failed to resolve or for which such contact is inappropriate.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board

The NC, through a formal and transparent process, reviews the diversity of skills, experience, gender, knowledge, size and composition of the Board. The NC has a set of principles to guide it in carrying out its responsibilities of reviewing and determining an appropriate Board size and composition and making its recommendations to the Board on all board appointments. The NC met once in 2025.

As at the date of this Annual Report, the NC comprises three Directors, a majority of whom, including the NC Chairman, are independent:

Mr. Ng Hin Lee	Chairman
Mr. Neal Manilal Chandaria	Member
Mr. Hideaki Miyazawa	Member

The Chairman is not associated with a substantial shareholder. Members of the NC comprise persons of stature, integrity and accountability, who would be able to exercise independent judgement in the performance of their duties.

CORPORATE GOVERNANCE

The NC is guided by its Terms of Reference, which sets out its responsibilities. Its duties with regard to nomination functions are to review succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel, and make recommendations to the Board on all board appointments, to review all nominations for the appointment and re-appointment of directors, to evaluate the effectiveness and performance of the Board as a whole and each individual director and to review the independence of each director annually. In determining the independence of directors, the NC determines whether or not a director is independent bearing in mind the Code's definition of an "independent director" and guidance as to relationships that would deem a director not to be independent. In view of the foregoing and having reviewed the independence of each of the Independent Directors, the NC has endorsed the independence status of Mr. Ng Hin Lee, Dr. Xu Jinsong and Mr. Hideaki Miyazawa. The Board, after taking into consideration the views of the NC, is of the view that Mr. Ng Hin Lee, Dr. Xu Jinsong and Mr. Hideaki Miyazawa are independent and that, no individual or small group of individuals dominates the Board's decision-making process.

The process for the selection and appointment of new directors to the Board is carried out when necessary, by the NC. The NC initiates and executes a process to search and identify suitable candidates for nomination to the Board for appointment. The NC would through various avenues, source for suitable candidates as new Director(s) and appraise the candidates to ensure they have the relevant experience and calibre to contribute effectively to the Group. These avenues include the Directors' personal contacts, search firms or through internal assessments conducted on any suitable candidates within the Group. The NC works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole as well as its individual members. Upon the review and recommendation of the NC for the appointment of directors, new directors will be appointed by way of a board resolution. Such new directors must submit themselves for re-election at the next AGM of the Company immediately following his appointment. As and when necessary, the Company will release announcements on the appointments or cessations of its Directors via SGXNET.

The Constitution of the Company provides that at least one-third of the Directors, for the time being, shall retire as Directors at each AGM of the Company. In accordance with the Constitution of the Company, Mr. Lou Yiliang and Dr. Xu Jinsong are due to retire by rotation at the forthcoming AGM and being eligible Mr. Lou Yiliang and Dr. Xu Jinsong have offered themselves for re-election at the forthcoming AGM. Mr. Hideaki Miyazawa who was appointed during FY'25 is also due to retire under the Company's Constitution and being eligible, Mr. Hideaki Miyazawa has offered himself for re-election at the forthcoming AGM.

The NC determines annually whether a Director has been adequately carrying out his duties as a Director of the Company, taking into consideration the number of that Director's other listed company board representations and other principal commitments. The Company does not set a limit on the number of directorships held by its Directors but engages with its Directors from time to time to check on their effectiveness as Directors of the Company. The NC is of the view that each Director has been able to effectively discharge his duties as a Director of the Company.

CORPORATE GOVERNANCE

The table below shows the directorships and principal commitments of each Director (including past directorships and principal commitments over the preceding three years):

Name of Director	Date of First Appointment	Date of Last Re-election	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Neal Manilal Chandaria	02.11.2015	29.04.2025	–	Comcraft Group Companies
Lou Yiliang	02.11.2015	26.04.2024	Hua Yuan Sheng Industrial Company Limited	Toyochi Tsusho Co. Ltd Toyochi Industry Co. Ltd Shenzhen Jielunte Technology Co. Ltd Mansfield Manufacturing Company Limited Sun Mansfield Manufacturing (Dongguan) Co, Ltd Mansfield Manufacturing (Wuhan) Company Limited Mansfield (Suzhou) Manufacturing Company Limited Lens Tool & Die (H.K.) Limited Mansfield (Thailand) Company Limited Magix Mechatronics Company Limited Magix Mechatronics (Dongguan) Company Limited Feng Chuan Tooling (Dongguan) Company Limited Mansfield Technology (Taiwan) Company Limited Mansfield Vietnam Company Limited Mansfield Manufacturing (M) Sdn. Bhd.
Xu Jinsong	15.07.2021	28.04.2023	Associate Professor at Shanghai Jiao Tong University	Seastel Marine System (Shanghai) Co. Ltd.

CORPORATE GOVERNANCE

Name of Director	Date of First Appointment	Date of Last Re-election	Past Directorships in other listed companies and principal commitments over the preceding three years	Present Directorships in other listed companies and principal commitments
Ng Hin Lee	26.04.2024	29.04.2025	FJ Benjamin Holdings Ltd Shui Tian Tang Pte. Ltd. Tianjin Junhe Industrial Co., Ltd. Qingdao Timi Supply Chain Co., Ltd.	KOP Limited GSH Corporation Limited Jiaxing Shi Cheng Hotel Management Co., Ltd. Leading Dragon Corporation Ltd Durian Master Pte. Ltd. Ding Yi Music Company Ltd GSH International Enterprise Pte. Ltd.
Hideaki Miyazawa	12.08.2025	–	NTN USA Corporation NTN Corporation	Nil

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors

Annually, the NC evaluates the effectiveness of the Board as a whole, and that of each Board Committee as well as the individual director by establishing a process for conducting reviews of all Board members.

All Directors are required to assess the performance of the Board, the Board Committees and the individual director by way of a questionnaire. The assessment covers areas such as contribution of each individual director to the effectiveness of the Board and Board Committees, information management, Board processes, Shareholder management, and managing the Company's performance. The NC takes into consideration their respective preparedness, commitment, participation, and attendance at Board and Board committee meetings. The evaluation would also take into account their respective ability to make informed decisions and level of comprehension of legal, accounting and regulatory requirements and whether they have the essential skills to competently discharge the Board's duties. The results of the evaluation of the Board as a whole as well as the individual director would be presented to the NC and brought up by the NC Chairman for discussion and follow-up action where necessary. As and when the need arises, NC Chairman will, in consultation with the NC, propose new members to be appointed to the Board or seek the resignation of Directors.

The NC and the Board are satisfied that all Directors are able to and have been adequately performing their duties as Directors of the Company, devoting sufficient time and attention to the affairs of the Company.

CORPORATE GOVERNANCE

REMUNERATION MATTERS – PRINCIPLES 6, 7 & 8

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation

As at the date of this Annual Report, the Remuneration Committee (“RC”), which is also the Employees’ Share Option Plan Committee, comprises three Directors, all of whom are non-executive and a majority of whom, including the RC Chairman, are independent:

Dr. Xu Jinsong	Chairman
Mr. Neal Manilal Chandaria	Member
Mr. Ng Hin Lee	Member

There is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual top management executives including directors.

The RC is guided by its Terms of Reference, which sets out its responsibilities. The primary function of the RC is to advise the Board on compensation issues generally, and in particular, in relation to Directors and key management personnel, bearing in mind that a meaningful portion of Management’s compensation should be contingent upon financial performance in order to foster the creation of long-term shareholder value.

The principal responsibilities of the RC include the following:

- advise the Board of Directors on compensation matters, as well as best practices with regard to non-cash compensation and trends;
- review Management’s appraisal on current market situation as it relates to compensation and Management’s recommendation of the overall aggregate adjustments to be made at the annual review of compensation for all staff, Management and Directors, including stock options and other equity incentive schemes;
- recommend to the Board compensation packages for senior management, non-executive directors and CEO;
- responsible for the grant of options and other equity incentives, if any, to Directors, Management and staff based on the recommendations by the Management; and
- oversee the implementation of remuneration policies within the InnoTek Group and ensure that no director participates in decisions on his own remuneration matter.

CORPORATE GOVERNANCE

There are no termination, retirement and post-employment benefits granted to Directors, the CEO or key management personnel.

In setting remuneration packages, the RC considers the level of remuneration to attract, retain and motivate Executive Directors and key management and to align their interests with those of shareholders. A proportion of Executive Directors' remuneration is structured to link rewards to the performance of the InnoTek Group as a whole, as well as individual performance.

On an annual basis, the RC reviews the level and mix of remuneration and benefits policies and practices of the Company. When conducting such reviews, the RC takes into account the performance of the Company and that of individual employees. It also reviews and approves the framework for salary, performance bonuses and incentives for key management employees.

The total remuneration mix comprises three key components; that is, annual fixed cash, annual performance incentive, and the InnoTek Employees' Share Option Scheme 2021 ("Scheme 2021"). The annual fixed cash component comprises the annual basic salary plus any other fixed allowances which the Company benchmarks with the relevant industry market median. The annual performance incentive is tied to the Company's business unit ("BU")'s and individual employee's performance. The Scheme 2021 is a long-term incentive plan. The equity component is intended to achieve the objective of aligning the interests of the Executive Directors and key management with those of the shareholders of the Company. Performance targets are set and performances are evaluated annually.

Executive Directors do not receive directors' fees but are remunerated as members of Management. Non-Executive Directors' fees take into account a Director's contributions, additional responsibilities on Board Committees, experience, qualifications and time committed and require shareholders' approval at the Company's AGM. The RC is mindful not to over-compensate the Non-Executive Directors to the extent that their independence may be compromised.

In reviewing the fees for Non-Executive Directors, the RC has adopted a framework based on guidelines recommended by the Singapore Institute of Directors, which comprises a base fee, fees for membership in Board Committees as well as fees for chairing Board Committees, taking into consideration the amount of time and effort that each Board member may be required to devote to the role and the fees paid by comparable companies.

The Company, having obtained shareholders' approval at the Extraordinary General Meeting ("EGM") held on 26 April 2021, has adopted the Scheme 2021.

The RC is assigned the responsibility of administering all share option plans in accordance with the rules of the respective plan, to determine and approve the list of grantees of the share options, the date of grant and the price thereof. During the year, no options were granted under the Scheme 2021. Details of the options granted under the Scheme 2021 are set out in the Directors' Statement on pages 73 to 76 of this Annual Report.

The remuneration policy of the Company is based on an annual appraisal system using the criteria of core values, competencies, key result areas, performance rating and potential. Rewards are linked with corporate and individual performance.

CORPORATE GOVERNANCE

In respect of the amounts and breakdown of the remuneration, in line with provision 8.1 of the Code and Rule 1207(10D) of the Listing Manual of the SGX-ST, the total remuneration, level and mix of each individual Director's (including past Directors who were Directors during FY'25) remuneration paid for FY'25 (in dollar and percentage terms) are as follows:

Directors' Remuneration	Remuneration	Fee	Salary	Bonus	Allowance/ Benefits	Others	Total
	\$	(%)	(%)	(%)	(%)	(%)	(%)
Mr. Lou Yiliang	643,779	0	80	20	0	0	100
Mr. Neal Manilal Chandaria	93,685	100	0	0	0	0	100
Dr. Xu Jinsong	66,000	100	0	0	0	0	100
Mr. Ng Hin Lee	79,301	100	0	0	0	0	100
Mr. Hideaki Miyazawa	20,137	100	0	0	0	0	100
Mr. Teruo Kiriama	27,060	100	0	0	0	0	100

The total proposed Directors' Fees of up to \$320,000 for the financial year ending 31 December 2026 will be tabled at the forthcoming AGM for shareholders' approval.

Details of the share option plan are set out in the Directors' Statement whilst disclosure of the Directors' remunerations also made in the notes to the financial statements.

Top 6 Key Management Personnel Remuneration

	Salary	Bonus	Allowance/ Benefits	Shares Options	Others	Total
Key Management Personnel Remuneration	(%)	(%)	(%)	(%)	(%)	(%)
\$400,000 to below \$500,000						
Ms. Tan Siang Keng	76	13	2	6	3	100
\$300,000 to below \$400,000						
Mr. Ukawa Masatsugu	73	16	2	9	0	100
Mr. Okura Ippei*	74	17	0	9	0	100
Mr. Xiong Guang	50	42	1	5	2	100
Mr. Derrick Lee Wei Ta	55	34	1	5	5	100
Mr. Song Lei^	17	7	74	0	2	100

* Mr. Okura Ippei, the brother of Mr. Lou Yiliang, is the Chief Marketing Officer and Director of Mansfield Manufacturing Co., Ltd. Hong Kong, the wholly-owned subsidiary of the Company. His remuneration for 2025 was within the band of \$300,000 to below \$400,000. He retired from these positions with effect from 11 March 2026.

^ Mr. Song Lei resigned as General Manager of Mansfield (Suzhou) Manufacturing Company Limited with effect from 31 May 2025.

In recommending and determining the remuneration package for Mr. Okura Ippei, Mr. Lou Yiliang, CEO of the Company, did not participate in the deliberation of his remuneration package which is determined by the Remuneration Committee in which Mr. Lou Yiliang is not a committee member. The Company exercises broad discretion and independent judgement in ensuring that the amount and mix of compensation are aligned with the interests of its shareholders.

CORPORATE GOVERNANCE

Save as disclosed above, the Company confirms that there are no employees of the Group who are substantial shareholders, or are immediate family members of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds \$100,000 during FY'25.

The aggregate remuneration paid to the key management personnel is \$4,642,000.

In 2021, the Company had adopted the Scheme 2021. Details of the Scheme 2021 are set out in the Directors' Statement.

ACCOUNTABILITY AND AUDIT – PRINCIPLES 9 & 10

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9 – The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders

InnoTek acknowledges that appropriate management of the risks accompanying its business is vital to prevent losses and damages in the fast-changing business environment. The Board has put in place processes and procedures which help to identify and manage areas of significant strategic, business and financial risks. The Group manages risk under an overall risk management framework determined by the Board and supported by the Audit and Risk Management Committee and Internal Audit. Management periodically reviews the past performance of, and profiles the current and future risks facing the Group. This system by its nature can only provide reasonable, but not absolute, assurance to investors regarding:

- the safeguarding and protection of the Group's assets against unauthorised or improper use or disposal;
- protection against material misstatements or losses;
- the maintenance of proper accounting records;
- the reliability of financial information used within the business and for publication;
- the compliance with appropriate legislations, regulations and best practices; and
- the identification and containment of business risks.

Among the various risks that affect the Group include, but are not limited to:

1. Industry and customer risk

The market demands and customer-specific requirements constantly remind the Company not to be complacent and to keep up and be able to cater to the needs in the market and of its customers. In the event the Company is unable to meet customer and industry requirements, there may be a possibility that its products and/or processes will become obsolete, and its customers may take their business to those who are able to meet such requirements. Additionally, tooling investments for specific projects may face the risk of recoverability if project margins or volumes unexpectedly decline or if the projects reach end-of-life prematurely. As such, the Company works closely with its customers and industry sources to ensure that its technology and product roadmaps are in line with customer requirements.

CORPORATE GOVERNANCE

2. Under utilisation of production capacity

The Company's business is characterised by high fixed costs including plant facilities, manufacturing equipment and machineries. In the event when its capacity utilisation decreases due to poor demand or cancellation or delay of customer orders, the Company could encounter significantly higher unit production costs, lower margins and potentially significant losses. Under utilisation of production capacity could also result in equipment write-offs, restructuring charges and employee layoffs.

3. Dependence on a small customer base

In the highly competitive industry with low margins and customers who could easily bring their orders elsewhere, the loss of one or more of its major customers or a substantial reduction in orders by any major customer, for any reason, could have a material adverse effect on the Group's revenue. To mitigate the risk of losing customers the Company works closely with its customers, so as to be able to build long-term working relationships and, hence, build long-term customers' trust and loyalty.

4. Primary materials prices and timely supply of materials

The Group relies on a limited number of qualified suppliers for some of the materials used in its precision mechanical manufacturing segment's manufacturing processes. Any increase in the price of primary materials would affect the cost of manufacturing. The Group mitigates the risk by not committing to large orders of fixed-price materials thus enabling the Group to adjust prices when appropriate and feasible. The timely supply of a sufficient quantity of raw materials by its supplier is also crucial in meeting the commitments to its customers. To mitigate the risk the Group employs supply chain management and builds long-term relationships with qualified suppliers.

5. Exposure to credit risks

The Group is exposed to the credit risks of its customers. From time to time, in the ordinary course of business, certain customers may default on their payment. Such events may arise due to the inherent risk from its customers' business, risk pertaining to the political, economic, social and legal environment of its customers' jurisdiction and foreign exchange risk. However, the Group regularly reviews its exposure by way of monthly management reports, market feedback, performing checks on customers' financial status and executes necessary payment recovery measures to minimise its credit risks.

6. Foreign exchange exposure

The Group's manufacturing and related expenses are in the currency of the country of operation. The Group has a policy of monitoring the foreign currency exchange rate changes closely so as to minimise any potential material adverse impact on its financial performance.

7. Liquidity risk

To ensure that it has adequate funding to achieve these requirements and its long-term goals, the Group regularly monitors its capital expenditure to ensure an appropriate rate of returns, monitors the efficiency of the investment and pursues new financing opportunities to supplement its current capital resources.

CORPORATE GOVERNANCE

8. Changes in the political, social and economic conditions

The Group's manufacturing facilities are located in China, Vietnam, Thailand and Malaysia. Any unfavourable changes in the political, social, legal, regulatory and economic conditions in these jurisdictions may disrupt our operations and affect our financial performance.

Regulatory changes could result in increased costs to the Group. The Group continues to evaluate and monitor developments with respect to new and proposed rules and regulations by the local authorities, including the rules and regulations maintained by the different provinces in China which can or may affect the Group in any way, and cannot predict or estimate the amount of additional costs the Group may incur or the timing of such costs.

The Board considers that the Group has in place, a system of internal controls of its procedures and processes maintained by the Company's Management to safeguard shareholders' investments and assets of the Company. The system of internal controls addresses financial, operational, compliance and information technology controls and risk management. The Board, however, notes that the system of internal controls provides reasonable, but not absolute assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

The Group has set up an Internal Audit Department ("IAD") in Mansfield headed by Mr. Luo Chong, a Senior Manager from the legal department of Mansfield Manufacturing Company Limited, in addition to the appointment of Forvis Mazars LLP, an independent assurance service provider ("internal auditor" or "IA"), to perform the internal audit works of the Group. The IAD has a team which works closely with the IA to discharge its function properly. The IA's primary line of reporting is to the ARMC Chairman and the IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARMC. The ARMC is satisfied with the adequacy and effectiveness of the current internal audit function and is of the view that the internal audit function is independent, effective and adequately resourced.

Forvis Mazars LLP works closely with the IAD to provide independent and objective assessments and consulting services which are designed to evaluate the adequacy and effectiveness of the Mansfield Group's system of internal controls. A risk-based approach is used to develop the annual audit plan to ensure that all high-risk areas are monitored for proper coverage and audit frequency.

The IA subscribes to and is guided by the standard established by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors and has incorporated these standards into its audit practices.

The focus of the Internal Audit function is to strengthen the internal control structure and risk management of the Group through the conduct of independent and objective reviews. The IA also conducts tests to verify the Group's assets and liabilities and to check on compliance with the Group's system of internal controls including financial, operational and compliance controls.

In addition to the annual internal audit plan, both the IA and the IAD are also involved in conducting system or process reviews that may be requested by Management on specific areas of concern during the course of the year. By allowing such flexibility in the audit work plan, the IA and IAD are able to help Management understand risks and internal control issues associated with the changes taking place in their businesses by providing them with timely input on new or emerging issues during the year.

The ARMC has reviewed the independence, effectiveness, adequacy and robustness of the Company's risk management policies, procedures and internal controls, including financial, operational, compliance and information technology controls. Material non-compliance and internal control weakness noted during the audit, and the auditors' recommendations to address such non-compliance and weakness will be reported to the ARMC. Management follows up and implements the internal and external auditors' recommendations.

CORPORATE GOVERNANCE

Apart from the internal auditors, the external auditor, Ernst & Young LLP, also contributes an independent perspective on relevant internal controls arising from their financial audit and reports their findings to the ARMC.

The Board has together with the ARMC reviewed the independence, adequacy and effectiveness of the Group's risk assessment programmes and internal control processes. The Board has received assurance on the independence, adequacy and effectiveness of the Group's internal controls including financial, operational, compliance and information technology controls and risk management system. Based on the work performed by the internal auditors during the financial year as well as the statutory audit by the external auditors, and reviews performed by Management, the Board with the concurrence of the ARMC, is of the opinion that the Group's system of internal controls including financial, operational, compliance and information technology risk controls and risk management systems were adequate and effective as at 31 December 2025 in providing reasonable assurance of the effectiveness of the Group under the current business environment.

The Board has received assurance from the Chief Executive Officer, Chief Financial Officer, Chief Administrative Officer (Mansfield), Chief Marketing Officer (Mansfield), Chief Operating Officer – Precision Mechanical Manufacturing Business Unit (“BU”) (Mansfield), Chief Operating Officer – Precision Intelligent Manufacturing BU (Mansfield), Head of Finance (Mansfield), the General Managers of the Business Units and Financial Controller of the Company that as at 31 December 2025:

- (a) the financial records of the Group have been properly maintained and the financial statements for the year ended 31 December 2025 give a true and fair view of the Group's operations and finances; and
- (b) the system of risk management and internal controls in place for the respective business divisions were adequate and effective as at 31 December 2025 to address the Group's financial, operational, compliance and information technology risks which the business divisions consider relevant and material to their operations.

AUDIT & RISK MANAGEMENT COMMITTEE

Principle 10 – Establishment of an Audit & Risk Management Committee with written terms of reference

As at the date of this Annual Report, the Audit & Risk Management Committee (“ARMC”) has three members. The ARMC is comprised entirely of non-executive directors, majority of whom (including the Chairman) are independent. The Board is satisfied that members of the ARMC are appropriately qualified to discharge their responsibilities. The Chairman and members of the ARMC are:

Mr. Ng Hin Lee	Chairman
Mr. Neal Manilal Chandaria	Member
Dr. Xu Jinsong	Member

None of the members of the ARMC are former partners or directors of the Company's existing external or internal audit firm (a) within a period of two years commencing on the date of their ceasing to be a partner of the external or internal audit firm and in any case; (b) for so long as they have any financial interest in the external or internal audit firm.

CORPORATE GOVERNANCE

The ARMC met four times during the year under review. Other directors, Chief Financial Officer, Financial Controller, the Head of Finance (Mansfield), representatives of the Internal Audit firm, Forvis Mazars LLP, Company Secretary and the External Auditor are invited to these meetings. The ARMC meets with the external auditors, without the presence of the Company's Management, at least once a year to obtain feedback on the competency and adequacy of the finance function and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial reporting and operational systems. This meeting enables the auditors to raise issues encountered in the course of their work directly to the ARMC. In addition, the ARMC is periodically updated on changes in accounting standards, risk management, corporate governance and regulatory-related topics which have a direct impact on financial statements during the year.

The ARMC guided by its Terms of Reference, reviews the scope and results of the internal and external audit and the cost effectiveness, significant financial reporting issues, and adequacy of the Company's internal controls, risk management as well as the effectiveness of the Company's internal audit function at least annually.

The responsibilities of the ARMC include the following:

- review and recommend to the Board the release of the half-yearly and full-year financial statements;
- review the independence and objectivity of the internal and external auditors, their appointment, re-appointment and audit fee;
- review and approve both the internal audit and the external auditor's scope and plan to assure completeness of coverage and effective use of audit resources and where the auditors also supply a substantial volume of non-audit services to the Company, review the nature and extent of non-audit services performed by them to ensure that the independence of the auditors would not be affected;
- review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements and any formal announcements relating to the Company's financial performance;
- review and report to the Board the internal audit plan, oversee and review the adequacy and effectiveness of the internal control functions and evaluate the level of risks and assess the system of ensuring the integrity of financial reporting, steps taken by Management to minimise or control Company's exposure to such risks and assessing financial risk management;
- review major findings on internal audit during the year and Management's responses thereto, difficulties encountered during the course of the audit and compliance with relevant professional internal audit standards with the Head of Internal Audit and Management;
- review interested person transactions as required under the Listing Manual of the SGX-ST;
- review the internal and external business risks in the context of the Company's and its subsidiaries' business strategies as identified, analysed and assessed by the Management;
- oversee the risk management function and the Enterprise Risk Management framework as established by the Management;
- review the risk management policy and guidelines including risk levels and risk appetite submitted to it by the Management;

CORPORATE GOVERNANCE

- monitor risk management activities and processes and procedures pertaining to risk-related activities; and
- monitor the integrity and effectiveness of internal controls and reporting systems.

The ARMC makes recommendations to the Board for approval by Shareholders, the appointment, re-appointment and removal of the Company's external auditors. It also reviews and approves the remuneration and terms of engagement of the internal audit firm and the external auditors.

In appointing the audit firm for the Company, the ARMC is satisfied that the Company has complied with the requirements of Rule 712 and 715 of the Listing Manual of the SGX-ST.

The ARMC reviews the Group's risk assessment according to the guidelines in its Terms of Reference and, based on the auditors' reports and management controls in place throughout the Group, is satisfied that there are adequate internal controls, including financial, operational, compliance and information technology controls, and risk management systems in the Group.

The ARMC has full access to external and internal auditors and has full authority to invite any Director or executive officer to its meetings. The ARMC is authorised to have full and unrestricted access and cooperation with the Company's Management, personnel, records and other information as required to discharge its responsibilities.

The ARMC conducted a review of the aggregate amount of the fees payable to EY for FY'25 and the breakdown of such fees for audit and non-audit services. The ARMC is satisfied that the extent of the non-audit services performed by EY will not prejudice their independence and objectivity. The breakdown of the fees payable for audit and non-audit services provided by EY are disclosed at Note 10 of the audited financial statements included in this Annual Report. The reappointment of the external auditors will be subject to approval by way of an ordinary resolution of shareholders at the forthcoming AGM.

SHAREHOLDER RIGHTS AND ENGAGEMENT – PRINCIPLES 11 & 12

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company

The Company is committed to promoting effective communication with all shareholders, ensuring all shareholders are provided with equal and timely access to material information concerning the Company. Prompt and relevant information with regard to the Company's corporate developments and financial performance is disseminated in compliance with its continuous disclosure obligations in line with the Code and the Listing Manual of the SGX-ST.

The Company discloses to its shareholders pertinent information in a clear, forthcoming and timely manner on a regular basis. The quarterly financial results are published through the SGXNET, news releases and the Company's corporate website. The Company also retained an investor relations firm to assist in its dissemination of material information. The Company had been holding analyst briefings after its results announcement in previous years. The Company monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis.

CORPORATE GOVERNANCE

The Company does not practice selective disclosure. Price-sensitive information is first publicly released through SGXNET, either before the Company meets with any investors or analysts or simultaneously with such meetings. The results are published through the SGXNET, news releases and the Company's website and Share Investor. All shareholders of the Company receive the annual report, and notice of AGM, which is held within four months after the close of the financial year. The notice is also advertised in the newspapers. The annual report is also available on the Company's corporate website, www.innotek.com.sg.

Whilst there is no limit imposed on the number of proxy votes for nominee companies, the Constitution allows each shareholder to appoint up to two proxies to attend and vote at General Meetings on their behalf. The Constitution currently do not provide for shareholders to vote at General Meetings in absentia such as by mail, email or fax. Such voting methods will need to be carefully reviewed for feasibility to ensure there is no compromise to either the integrity of the information or the proper authentication of the identity of the shareholders.

At General Meetings, shareholders are given the opportunity to communicate their views on matters relating to the Group, with the Board members, Board Committees, the Company Secretary as well as the external auditor in attendance at the AGMs.

The Company publishes the minutes of general meeting of shareholders, which includes substantial comments or queries from shareholders and responses from the Board, on SGXNET and its corporate website.

To promote greater transparency and effective participation, the Company has conducted the voting of all its resolutions by poll at its general meetings. Independent scrutineers are appointed to conduct the voting process. Independent scrutineers brief the shareholders on the rules and the voting process and verify and tabulate votes after each resolution. The detailed voting results at the general meetings showing the number of votes cast for and against each resolution and the respective percentages tabled were announced immediately at the general meetings and via SGXNET immediately after each general meeting.

Pursuant to the amendments to Rule 705(2) of the SGX-ST Listing Manual which took effect on 12 February 2021, the Company has shifted from quarterly reporting to half-yearly reporting. Results are released within 45 days of the half-year period ended and 60 days of the end of the financial year. Through the release of its financial results, the Board aims to present shareholders with a balanced and comprehensible assessment of the Group's performance, position and prospects which extends to interim and other price-sensitive public reports and reports to regulators (if required). Notwithstanding the adoption of the new reporting framework, the Group remains committed to announcing material business development in a timely manner to keep shareholders updated as and when appropriate.

During the year, the Company held two analysts' briefings after the release of the Group's financial results for FY'25 in August 2025 and February 2026.

DIVIDEND POLICY

In considering the level of dividend payments, the Board takes into account various factors, including the level of cash available, the return on equity and retained earnings and sets aside a certain percentage of the Group's net operating profits attributable to shareholders for payment of dividends.

The Board is proposing to shareholders to pay a first and final (one-tier, tax-exempt) dividend of 2.0 cents per share at the AGM on 29 April 2026.

CORPORATE GOVERNANCE

MANAGING STAKEHOLDERS' RELATIONSHIPS – PRINCIPLE 13

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served

The Company adopts transparent, accountable and effective communication practices as a key means to enhance standards of corporate governance. The Company aims to provide clear and continuous disclosure of its corporate governance practices through efficient use of technology. The following information is made available on the Company's corporate website at www.innotek.com.sg:

- (a) Board and Management profiles;
- (b) Notices of general meetings, results of general meetings and minutes of general meetings;
- (c) Annual Reports;
- (d) Circulars/Letters to shareholders;
- (e) Company announcements;
- (f) Press releases;
- (g) Financial results; and
- (h) Sustainability report.

The latest Annual Report, financial results, and company announcements are posted on the Company's corporate website following their release to the market, to ensure fair dissemination to shareholders.

The Company has provided the contact details of the Group Chief Financial Officer for Investor Relations or Media enquiries which facilitates effective communication with the Company's shareholders and the general investor community.

ADDITIONAL INFORMATION

Dealings in Securities

In line with the rules of the Listing Manual of the SGX-ST, the Company has in place a policy and guidelines on dealings in the securities of the Company. This policy and guidelines restrict the Company, its Directors and employees from trading in the Company's securities during the period falling two weeks before the announcement of the Company's half-yearly financial statements and one month before the announcement of the Company's full-year financial statements.

Additionally, Directors and employees of the Company are also reminded to be mindful of the insider trading prohibitions and ensure that their dealings in securities do not contravene the laws on insider trading under the Securities and Futures Act, and the Companies Act. The policy and guidelines also remind employees and Directors of the Group that they should not deal in the Company's securities on short-term considerations.

Directors are required to report to the Company Secretary whenever they deal in the Company's shares and the Company Secretary will make the necessary announcements.

CORPORATE GOVERNANCE

Whistle-Blowing Policy

To reinforce a culture of good business ethics and governance, the Group has in place a whistle-blowing policy and procedures as prescribed under the Guidebook for Audit Committee in Singapore. The aim of this policy is to encourage the reporting in good faith of any suspected improper conduct whilst protecting the whistleblowers from reprisal within the limits of the law.

The whistle-blowing policy provides employees an avenue for reporting in good faith of suspected fraud, corruption, dishonest practices or other similar matters. All reports are channeled to the ARMC Chairman directly via a dedicated and secured e-mail channel who will treat the matter with utmost confidentiality.

All cases reported are treated confidentially and objectively investigated. Identities of whistle-blowers will be kept confidential to the extent possible. The results of the investigation would not be disclosed or discussed with anyone other than those who have a legitimate right to know. Investigation of such reports will be handled by the whistle-blow committee headed by Mr. Ukawa Masatsugu and involve persons who need to be involved in order to properly carry out the investigation. The committee will review the information disclosed and will, on a best-efforts basis, carry out the investigation in a timely manner. The committee will interview the whistle-blower if known, and if it was an anonymous submission, to determine whether the circumstances warrant a report to the ARMC for further investigation and corrective actions (if any) to be taken.

Anonymous complaints may be considered, taking into account factors such as the seriousness of the issues raised, the credibility of the report and the likelihood of confirming the allegation.

Interested Person Transaction Policy

In general, the Company has established procedures to ensure that all Interested Person Transactions will be undertaken on an arms' length basis and on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties and will thus not be prejudicial to the interests of the Company and the shareholders.

The Company has adopted an internal policy in respect of any transactions with interested persons and has procedures established for the review and approval of the Company's interested person transactions.

The aggregate value of Interested Person Transactions entered into during the financial year under review are as follows:–

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Wuhan Grand Mould Plastic Co. Ltd.	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 29.6%	869,089	None
Anhui KM Technology Co. Ltd	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 15.1%	324,433	None

CORPORATE GOVERNANCE

The Company has not obtained any interested person transactions mandate from shareholders.

Material Contracts

During the financial year, there were no material contracts entered into by the Company or any of its subsidiary companies involving the interests of any director or the controlling shareholder of the Company except those announced via SGXNET from time to time in compliance with the SGX-ST Listing Manual.

Sustainability Reporting

The Board recognises that to ensure the business is sustainable, the Group has to strike a balance between its business needs and the needs of society and the environment in which the Group operates. The Board believes that to grow sustainably, we need to engage with our stakeholders to identify material aspects that guide our decision-making. We focus on initiatives that will improve quality, our people, the environment and the community. The Group's sustainability efforts encompass eco-friendly and responsible value chain practices, employee training programmes, community engagement and cooperation, anti-corruption measures, and policies that safeguard the health, safety, and welfare of employees, among other sustainability initiatives.

The Company's approach in identifying material stakeholders, as well as addressing stakeholders' concerns and methods of engagement are set out in the Company's sustainability report (the "Sustainability Report"), which can be found on pages 21 – 49 of this Annual Report.

Corporate Social Responsibility

The Company continues to play its part in ensuring energy conservation in our plants and offices by cutting down on our energy usage. This helps mitigate climate change and save costs for the Group. Appropriate measures have been put in place to conserve energy and reduce water usage in all our facilities. We adopt good human resource policies and practices that promote fairness, and safe working conditions and encourage teamwork, which is one of the Company's Core Value.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of InnoTek Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2025.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Neal Manilal Chandaria (Chairman)
 Lou Yiliang
 Xu Jinsong
 Ng Hin Lee
 Hideaki Miyazawa (Appointed on 12 August 2025)

Arrangements to enable directors to acquire shares and debentures

Except as described in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following director, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<i>Ordinary shares of the Company</i>				
Lou Yiliang ⁽¹⁾	19,082,700	19,082,700	11,902,800	11,902,800
<i>Share options of the Company</i>				
Lou Yiliang	–	–	–	–

⁽¹⁾ Lou Yiliang is deemed to be interested in the 11,902,800 ordinary shares held through Phillip Securities Pte Ltd.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures (Continued)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2026.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Options

- (1) InnoTek Limited – Employees' Share Option Plan
- (a) InnoTek Employees' Share Option Scheme 2014 ("Scheme 2014") was approved by shareholders at the Extraordinary General Meeting on 28 April 2014. Scheme 2014 expired on 1 December 2019, and no new option scheme was adopted in 2020.
- (b) InnoTek Employees' Share Option Scheme 2021 ("Scheme 2021") was approved by Shareholders at the Extraordinary General Meeting ("EGM") on 29 April 2021. Scheme 2021 succeeded Scheme 2014 which expired in 2019. Scheme 2021 has a maximum period of ten years from the date of its adoption at the EGM.
- (2) All employees' share option plans are administered by the Remuneration Committee whose members are:
- Xu Jinsong (Chairman)
Neal Manilal Chandaria
Ng Hin Lee
- (3) During the financial year, 3,500,000 treasury shares were reissued at a weighted average exercise price of \$0.56 each, upon the exercise of options granted pursuant to the employee share options plans.

Details of all the options to subscribe for ordinary shares of the Company under Scheme 2021 as at 31 December 2025 are as follows:

Expiry date	Exercise price (\$)	Number of options
6 December 2026	0.76	2,400,000
1 September 2029	0.49	200,000
Total		2,600,000

- (4) Details of the options to subscribe for ordinary shares of the Company granted to a director of the Company pursuant to the Scheme 2014 are as follows:

Name of director	Options granted during financial year	Aggregate options granted since commencement of plan to end of financial year	Aggregate options exercised since commencement of plan to end of financial year	Aggregate options outstanding as at end of financial year
Lou Yiliang	–	8,000,000	3,000,000	–
Total	–	8,000,000	3,000,000	–

DIRECTORS' STATEMENT

Options (Continued)

- (5) Since the commencement of the employee share option plans till the end of the financial year:
- No options other than those mentioned in point (4) above, have been granted to the controlling shareholders of the Company and their associates
 - No participant other than those mentioned above has received 5% or more of the total options available under the plans
 - No options other than those mentioned above have been granted to directors and employees of the Company and its subsidiaries
 - No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted
 - No options have been granted at a discount

Audit & Risk Management Committee

The Audit & Risk Management Committee (“ARMC”) carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor’s evaluation of the adequacy of the Company’s system of internal accounting controls and the assistance given by the Group’s and the Company’s management to the external and internal auditors
- Reviewed the quarterly and annual financial statements and the auditor’s report on the annual financial statements of the Group and the Company before their submission to the board of directors
- Reviewed effectiveness of the Group’s and the Company’s material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor
- Met with the internal and external auditor, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARMC
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor
- Reviewed the nature and extent of non-audit services provided by the external auditor
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit
- Reported actions and minutes of the ARMC to the board of directors with such recommendations as the ARMC considered appropriate
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited’s Listing Manual

DIRECTORS' STATEMENT

Audit & Risk Management Committee (Continued)

The ARMC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARMC has also conducted a review of interested person transactions.

The ARMC convened four meetings during the year with full attendance from all members. The ARMC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the ARMC are disclosed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Neal Manilal Chandaria
Director

Lou Yiliang
Director

Singapore
1 April 2026

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of InnoTek Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2025, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Key Audit Matters (Continued)

Allowance for inventory obsolescence

The gross balance of the Group's inventories (excluding capitalised contract costs) as of 31 December 2025 was \$25.7 million (2024: \$25.1 million), against which allowance for inventory obsolescence of \$1.2 million (2024: \$1.1 million) was made. The determination of allowance for inventory obsolescence requires management to exercise significant judgement in identifying slow-moving or obsolete inventories and making estimates of their net realisable values.

As part of our audit, we attended and observed physical inventory counts at all material inventory locations where we observed procedures to identify slow-moving and obsolete inventories. We tested management's ageing analyses for samples of inventories by re-performing the ageing calculation and discussed with management on how slow-moving inventories for selected samples were dealt with. We obtained an understanding of the analyses and assessments made by management with respect to slow-moving and obsolete inventories and end-of-life products, including the specific identification of these inventories, and tested the adequacy of the allowance made by management by comparing the net carrying amount of inventories to their net realisable values. We also assessed the adequacy of the disclosures related to the allowance for inventory obsolescence included in Note 19 *Inventories*.

Impairment of property, plant and equipment and right-of-use assets

The Group operates several production facilities in the People's Republic of China (the "PRC"), Thailand and Vietnam. The net carrying amount of its property, plant and equipment and right-of-use assets amounted to \$40.6 million and \$25.6 million (2024: \$39.8 million and \$12.7 million) at 31 December 2025, respectively. As at that date, the Group identified indicators of impairment for property, plant and equipment and right-of-use assets belonging to certain cash generating units ("CGUs").

Pursuant to the assessment of the CGU's recoverable amounts based on higher of value in use and fair value less cost to sell, the Group did not recognise any further impairment loss for its property, plant and equipment and right-of-use assets (2024: \$0.5 million and \$0.6 million on property, plant and equipment and right-of-use assets) in the current financial year. The assessment of impairment indicators and the estimation of recoverable amounts of the CGUs and its assets required management to make significant judgement and estimate.

Our audit procedures included, amongst others, obtaining an understanding of management's assessment for indicators of impairment and their process and basis of determining recoverable amount of the CGU. In respect to the fair value less costs of disposal, we obtained and reviewed the valuation methodologies used by management in determining the fair value less costs of disposal and reviewed the comparable market selling prices used in management's assessment. We considered the objectivity, independence and competence of the external appraisers, and obtained an understanding of the valuation technique used by the external appraisers. We attended and observed a physical property, plant and equipment count at the CGU to verify existence of material plant and equipment and identify damaged plant and equipment, if any. We involved the assistance of our internal specialist to assist us in the review of management's impairment assessment for CGU with land and building.

We also assessed the adequacy of the disclosures related to the impairment in Note 13 *Property, plant and equipment* and Note 26 *Leases*.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lim Kian Giap.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
1 April 2026

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Group	
	Note	2025 \$'000	2024 \$'000
Revenue	5	209,914	238,035
Cost of sales		(181,332)	(201,600)
Gross profit		28,582	36,435
Other items of income			
Interest income	6	1,139	2,137
Other income	7	5,797	7,343
Other items of expense			
Selling and distribution expenses		(4,083)	(4,377)
Administrative expenses		(26,395)	(29,805)
Finance costs	8	(1,264)	(2,064)
Other expenses	9	(1,150)	(1,541)
Share of results of joint venture	16	–	(806)
Profit before tax	10	2,626	7,322
Income tax expense	11	(1,074)	(1,830)
Profit, net of tax		1,552	5,492
Profit/(loss) attributable to:			
– Owners of the Company		1,997	5,797
– Non-controlling interests		(445)	(305)
		1,552	5,492
Earnings per share attributable to owners of the Company (cents per share)			
Basic	12	0.87	2.51
Diluted	12	0.87	2.51

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group 2025 \$'000	2024 \$'000
Profit, net of tax		1,552	5,492
Other comprehensive income			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation		(3,435)	1,527
Foreign currency translation recycled to profit or loss upon disposal of a subsidiary		196	–
Fair value gain on financial assets measured at fair value through other comprehensive income (“FVOCI”)	28(f)	180	325
Other comprehensive income for the year, net of tax		(3,059)	1,852
Total comprehensive income for the year		(1,507)	7,344
Total comprehensive income attributable to:			
– Owners of the Company		(1,018)	7,663
– Non-controlling interests		(489)	(319)
		(1,507)	7,344

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	40,648	39,782	6	11
Right-of-use assets	26	25,571	12,657	9	39
Investment properties	14	25,941	27,004	–	–
Intangible assets	15	1,431	946	–	–
Investment in a subsidiary	4	–	–	47,061	47,061
Loan to a subsidiary	20	–	–	16,440	10,000
Investment in joint venture	16	–	–	–	–
Deferred tax assets	18	1,072	1,251	–	–
Other receivables	20	2,021	1,133	–	–
		96,684	82,773	63,516	57,111
Current assets					
Inventories	19	35,101	32,925	–	–
Trade and other receivables	20	71,600	67,192	8,941	8,315
Income tax recoverable		–	142	–	–
Contract assets	5	6,582	5,418	–	–
Prepayments	21	1,956	4,239	34	41
Other investments	17	20,533	21,181	20,533	21,181
Cash and short-term deposits	22	46,505	48,920	15,525	17,293
		182,277	180,017	45,033	46,830
Total assets		278,961	262,790	108,549	103,941
LIABILITIES AND EQUITY					
Current liabilities					
Provisions	23	–	5	–	–
Income tax payable		3,581	4,208	50	90
Trade and other payables	24	63,759	58,460	571	620
Contract liabilities	5	2,441	2,332	–	–
Loans and borrowings	25	9,709	4,976	–	–
Lease liabilities	25	5,603	6,918	9	30
		85,093	76,899	630	740
Net current assets		97,184	103,118	44,403	46,090
Non-current liabilities					
Provisions	23	365	385	–	–
Deferred tax liabilities	18	2,040	2,016	302	210
Other payable	24	364	372	–	–
Lease liabilities	25	19,852	6,943	–	9
		22,621	9,716	302	219
Total liabilities		107,714	86,615	932	959
Net assets		171,247	176,175	107,617	102,982
Equity attributable to owners of the Company					
Share capital	27(a)	98,021	98,021	98,021	98,021
Treasury shares	27(b)	(7,465)	(8,855)	(7,465)	(8,855)
Retained earnings		86,165	88,993	17,877	14,732
Other reserves	28	(5,474)	(2,656)	(816)	(916)
		171,247	175,503	107,617	102,982
Non-controlling interests	4(c)	–	672	–	–
		171,247	176,175	107,617	102,982
Total liabilities and equity		278,961	262,790	108,549	103,941

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2025 Group	Note	Attributable to owners of the Company					Non- controlling interests \$'000
		Equity, total \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000	
At 1 January 2025		176,175	98,021	(8,855)	88,993	(2,656)	672
Profit for the year		1,552	–	–	1,997	–	(445)
<u>Other comprehensive income</u> for the year, net of tax							
Foreign currency translation		(3,435)	–	–	–	(3,391)	(44)
Foreign currency translation recycled to profit or loss upon disposal of a subsidiary		196	–	–	–	196	–
Fair value gain on financial assets measured at FVOCI	28(f)	180	–	–	–	180	–
Total comprehensive income for the year		(1,507)	–	–	1,997	(3,015)	(489)
<u>Contributions by and</u> <u>distributions to owners</u>							
Dividends on ordinary shares	36	(4,604)	–	–	(4,604)	–	–
Share-based payments	29	214	–	–	–	214	–
Expiry of employees share options	29	–	–	–	56	(56)	–
Treasury shares issued pursuant to employees share option plan		1,715	–	1,953	–	(238)	–
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		(2,675)	–	1,953	(4,548)	(80)	–
<u>Changes in ownership</u> <u>interests in subsidiary</u>							
Disposal of a subsidiary with non-controlling interest		(183)	–	–	–	–	(183)
Total changes in ownership interests in subsidiary		(183)	–	–	–	–	(183)
<u>Others</u>							
Transfer to statutory reserve fund		–	–	–	(277)	277	–
Purchase of treasury shares		(563)	–	(563)	–	–	–
At 31 December 2025		171,247	98,021	(7,465)	86,165	(5,474)	–

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2024 Group	Note	Attributable to owners of the Company					Non-
		Equity, total \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000	controlling interests \$'000
At 1 January 2024		173,336	98,021	(8,855)	87,578	(4,399)	991
Profit for the year		5,492	–	–	5,797	–	(305)
<u>Other comprehensive income</u> for the year, net of tax							
Foreign currency translation		1,527	–	–	–	1,541	(14)
Fair value gain on financial assets measured at FVOCI	28(f)	325	–	–	–	325	–
Total comprehensive income for the year		7,344	–	–	5,797	1,866	(319)
<u>Contributions by and distributions to owners</u>							
Dividends on ordinary shares	36	(4,626)	–	–	(4,626)	–	–
Grant of equity-settled share options to employees	29	121	–	–	–	121	–
Expiry of employees share options	29	–	–	–	725	(725)	–
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		(4,505)	–	–	(3,901)	(604)	–
<u>Others</u>							
Transfer to statutory reserve fund		–	–	–	(481)	481	–
At 31 December 2024		176,175	98,021	(8,855)	88,993	(2,656)	672

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Company	Note	Equity, total \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000
At 1 January 2025		102,982	98,021	(8,855)	14,732	(916)
Profit for the year		7,693	–	–	7,693	–
Other comprehensive income for the year, net of tax						
Fair value gain on financial assets measured at FVOCI	28(f)	180	–	–	–	180
Total comprehensive income for the year		7,873	–	–	7,693	180
Contributions by and distributions to owners						
Dividends on ordinary shares	36	(4,604)	–	–	(4,604)	–
Share-based payments	29	214	–	–	–	214
Treasury shares issued pursuant to employees share option plan		1,715	–	1,953	–	(238)
Expiry of employees share options	29	–	–	–	56	(56)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		(2,675)	–	1,953	(4,548)	(80)
Others						
Purchase of treasury shares		(563)	–	(563)	–	–
At 31 December 2025		107,617	98,021	(7,465)	17,877	(816)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Company	Note	Equity, total \$'000	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000
At 1 January 2024		99,128	98,021	(8,855)	10,599	(637)
Profit for the year		8,034	–	–	8,034	–
<u>Other comprehensive income for the year, net of tax</u>						
Fair value gain on financial assets measured at FVOCI	28(f)	325	–	–	–	325
Total comprehensive income for the year		8,359	–	–	8,034	325
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares	36	(4,626)	–	–	(4,626)	–
Grant of equity-settled share options to employees	29	121	–	–	–	121
Expiry of employees share options	29	–	–	–	725	(725)
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		(4,505)	–	–	(3,901)	(604)
At 31 December 2024		102,982	98,021	(8,855)	14,732	(916)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group	
		2025 \$'000	2024 \$'000
Operating activities			
Profit before tax		2,626	7,322
Adjustments for:			
Depreciation of property, plant and equipment	13	6,121	5,709
Amortisation of intangible assets	15	367	221
Depreciation of right-of-use assets	26(a)	5,431	6,140
Net loss/(gain) on disposal of property, plant and equipment	9, 7	4	(192)
Gain on termination of lease		(142)	–
Loss on disposal of a subsidiary		270	–
Share-based payments		214	121
Net fair value gain on investment securities	7	(1,918)	(1,595)
Net (gain)/loss on disposal of other investments	7, 9	(182)	24
Net fair value loss/(gain) on investment properties	7, 14	385	(226)
Allowance for expected credit losses on financial assets at amortised cost	20	80	368
Impairment loss on contract assets	20	157	–
Share of results of joint venture	16	–	806
Net reversal of provisions	23	(12)	(4)
Interest expense	8	1,264	2,064
Interest income	6	(1,139)	(2,137)
Dividend income from other investments	7	(383)	(365)
Net allowance for inventory obsolescence	19	292	1,315
Net impairment loss on capitalised contract costs	19	25	1,554
Impairment loss on property, plant and equipment	13	–	505
Impairment loss on right-of-use assets	26	–	644
Exchange differences		(1,141)	570
Operating cash flows before changes in working capital, net of effect from disposal of a subsidiary		12,319	22,844
Changes in working capital:			
Increase in trade and other receivables and contract assets		(5,391)	(2,984)
(Increase)/decrease in inventories		(2,335)	1,890
Decrease in prepayments		80	716
Increase in trade and other payables and contract liabilities		6,363	661
Decrease in provision		(4)	–
Cash flows from operations		11,032	23,127
Interest paid		(1,264)	(2,064)
Interest received		1,177	1,471
Income taxes paid		(1,257)	(1,013)
Income taxes refunded		–	17
Net cash flows generated from operating activities		9,688	21,538

Group

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025 \$'000	2024 \$'000
Investing activities			
Purchase of property, plant and equipment	13	(10,257)	(10,516)
Proceeds from disposal of property, plant and equipment		107	127
Purchase of intangible assets	15	(491)	(697)
Disposal of a subsidiary, net of cash disposed	4(d)	294	–
Purchase of other investments		(4,590)	(4,470)
Proceeds from disposal of other investments		7,480	5,318
Dividend received from other investments		383	365
Decrease in bank balance under portfolio investment management		371	695
Net cash flows used in investing activities		(6,703)	(9,178)
Financing activities			
Proceeds from bank loans and borrowings	25	14,228	3,761
Repayment of bank loan and borrowings	25	(8,266)	(5,666)
Purchase of treasury shares	27(b)	(563)	–
Proceeds from exercise of share options		1,715	–
Payment of principal portion of lease liabilities	25	(6,391)	(6,953)
Placement of pledged deposit	22	(1,515)	–
Dividend paid on ordinary shares	36	(4,604)	(4,626)
Net cash flows used in financing activities		(5,396)	(13,484)
Net decrease in cash and cash equivalents		(2,411)	(1,124)
Effect of exchange rate changes on cash and cash equivalents		(1,148)	571
Cash and cash equivalents at 1 January		48,163	48,716
Cash and cash equivalents at 31 December	22	44,604	48,163

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1. CORPORATE INFORMATION

InnoTek Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange.

As of financial year ended 31 December 2025, the Company’s registered office and principal place of business of the Company was located at 12 Woodlands Square, Tower 1, #11-67 Woods Square, Singapore 737715. With effect from 23 March 2026, the registered office and principal place of business of the Company has changed to 2 Venture Drive, #08-25 Vision Exchange, Singapore 608526.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries and joint venture are disclosed in Notes 4 and 16. There has been no significant change in the nature of these activities during the year.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (“SGD” or “\$”) and all values in the tables are rounded to the nearest thousand (“\$’000”), except when otherwise indicated.

2.2 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 9 and SFRS(I) 7: <i>Classification and Measurement of Financial Instruments</i>	1 January 2026
Annual improvements to SFRS(I)s – Volume 11	1 January 2026
Amendments to SFRS(I) 9 and SFRS(I) 7: <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
SFRS(I) 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
SFRS(I) 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to SFRS(I) 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to SFRS(I) 10 <i>Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Standards issued but not yet effective (Continued)

With the exception of SFRS(I) 18 *Presentation and Disclosure in Financial Statements*, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements* and introduces new requirements for presentation and disclosure in the financial statements. SFRS(I) 18 introduces new requirements to classify all income and expenses included in the statement of profit or loss into categories and defined subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

SFRS(I) 18 will apply retrospectively and the Group is currently working to identify all impacts that the amendments will have on the financial statements and notes to the financial statements. The initial expected material impacts on the Group's financial statements are, as follows:

- Rental income, change in fair value from investment properties and share of profit from joint venture will be classified in the investing category within the statement of profit or loss.
- Foreign exchange difference will be classified in the category where the related income and expense from the item giving rise to the foreign exchange difference.
- New disclosure will be added: (a) management-defined measures; (b) specified expense by nature if expense are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restatement amounts presented applying SFRS(I) 18 and the amounts previously presented applying SFRS(I)1-1.
- Interest received and interest paid will be classified in the investing and financing activities respectively, on the statement of cash flows.

2.3 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Basis of consolidation and business combinations (Continued)

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

For acquisitions of subsidiaries which do not qualify as business combinations, the transactions are accounted for in accordance with the respective accounting policies for the assets acquired and the liabilities assumed.

2.4 Foreign currency

The financial statements are presented in SGD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.4 Foreign currency (Continued)

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Monetary items cease to form part of the net investment in the foreign operation at the moment in time when the Group decides that settlement is planned or is likely to occur in the foreseeable future. Accordingly, exchange differences arising on these monetary items up to that date are recognised in other comprehensive income and accumulated under foreign currency translation reserve in equity. The exchange differences that arise after that date are recognised in profit or loss. When these monetary items are settled, the exchange differences accumulated under foreign currency translation reserve in equity are reclassified from equity to profit or loss.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold building	–	20 years
Leasehold buildings	–	10 to 25 years
Machinery and equipment	–	5 to 10 years
Furniture, fittings and office equipment	–	3 to 10 years
Motor vehicles	–	5 years
Leasehold improvements	–	5 to 20 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Property, plant and equipment (Continued)

An owner-occupied property is transferred from property, plant and equipment to investment properties at the date when the property meets, the definition of investment property and there is evidence of the change in use. At the date of transfer, any difference between the carrying amount of the property and its fair value is accounted for as an asset revaluation. Consequently, any decrease in the carrying amount of the property is recognised in profit or loss while any increase is recognised in profit or loss to the extent that the increase reverses a previous impairment loss for that property, and in other comprehensive income for any remaining part of the increase.

2.6 Investment properties

Investment properties are properties that are either owned by the Group or right-of-use assets that are held to earn rentals or for capital appreciation, or both, rather than owner-occupied properties i.e. those for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise, including the corresponding tax effect.

A property is transferred to, or from investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. For a transfer from owner-occupied property to investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.7 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Computer software

Computer software was acquired separately and is amortised on a straight-line basis over its finite useful lives of 5 years.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired or that a previously recognised impairment loss for an asset other than goodwill may no longer exist or may have decreased. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in its subsidiary is accounted for at cost less impairment losses.

2.10 Joint arrangement

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.11.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Joint venture

The Group account for its investment in joint venture using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses as the Group had no obligations nor made payments on behalf of the joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount within 'Share of results of joint venture' in profit or loss.

The financial statements of the joint venture are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Bills receivables are bills of exchange guaranteed by banks from trade receivables for customers in People's Republic of China and are measured at the amount that the Group expects to receive.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Financial instruments (Continued)

(a) Financial assets (Continued)

Subsequent measurement (Continued)

Investments in debt instruments (Continued)

(iii) Fair value through profit or loss (“FVPL”)

Assets that do not meet the criteria for amortised cost or FVOCI or are held for trading are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. Interest income from the Group’s investments in debt instruments and structured deposits is presented separately in profit or loss from the net fair value gain or loss on such investments.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group’s right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income or are held for trading, changes in fair value are recognised in profit or loss. Dividend income from the Group’s investments in equity instruments is presented separately in profit or loss from the net fair value gain or loss on such investments.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The Group classifies financial liabilities that arise from supplier finance arrangement within “Trade and other payables” in the Balance Sheet if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group’s normal operating cycle and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement. Cash flows related to liabilities arising from supplier finance arrangements that are classified in “Trade and other payables” in the Balance Sheet are included in operating activities in the Consolidated Cash Flow Statement.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Financial instruments (Continued)

(b) Financial liabilities (Continued)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.13 Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a “12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a “lifetime ECL”).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group determines expected credit losses of trade receivables and contract assets by making debtor-specific assessment of expected impairment loss for long overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the appointed representative from the bank that provides investment services to the Group assists the Group to reassess the internal credit rating of the debt instrument and whether they are considered investment grade bonds as defined by at least one of the external credit rating companies (i.e. Moody’s, Standard and Poor’s and Fitch) on a regular basis. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 90 days past due. Where the debt instruments are determined to have low credit risk at the reporting date, the Group assumes that the credit risk on these instruments has not increased significantly since initial recognition and ECLs are provided for credit losses that result from default events that are possible within the next 12-months. When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.13 Impairment of financial assets (Continued)

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Presented as part of the Group's inventories in Note 19 are capitalised contract costs relating to tooling contracts entered into with customers where revenue is recognised at a point in time. The accounting policy for such capitalised contract costs is stated in Note 2.21(b).

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset.

2.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Certain subsidiaries of the Group participate in a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") in Hong Kong, a defined contribution pension scheme, under the Mandatory Provident Fund Schemes Ordinance for those employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become liable in accordance with the rules of the MPF Scheme. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the People's Republic of China ("PRC") are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the profit or loss as they become liable in accordance with the rules of the central pension scheme.

The employees of the Group which operate in Thailand and Group have jointly established a provident fund. The fund is monthly contributed by employees and the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 Employee benefits (Continued)

(c) Employee share option plans

Employees (including senior executives) of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee share option reserve is transferred to retained earnings upon expiry of the share options.

2.20 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

The Group's right-of-use assets are presented separately on the balance sheet.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Leases (Continued)

(a) As lessee (Continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in loans and borrowings in Note 25.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Group's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The accounting policy for rental income is set out in Note 2.21(c).

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Revenue and rental income

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of precision metal stamping and precision machining components

The Group supplies precision metal stamping and precision machining components for manufacturers.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. Certain goods are sold with a right of return. The Group has a present right to payment when the customer obtains control of the goods and the Group has no remaining obligations to transfer the goods to the customer.

The amount of revenue recognised is based on the estimated transaction price which comprises the contractual price and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group recognises refunds due to expected returns from customers as refund liabilities. The liability is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the goods less expected costs to recover the goods and any potential decreases in value, and adjust them against cost of sales correspondingly.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.21 Revenue and rental income (Continued)

(b) Manufacture and sale of tooling

The Group manufactures and supplies tooling for manufacturers.

Revenue is recognised at a point in time when the customer obtains control of the tooling because the Group does not have an enforceable right to payment for performance completed to-date based on the contractual terms and practices in the relevant legal jurisdiction.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified manufacturing milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group satisfies its obligation under the contract.

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently recognised in profit or loss as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expense.

(c) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

2.22 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.22 Taxes (Continued)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint venture, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and interests in joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.22 Taxes (Continued)

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.23 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 Treasury shares

The Group's own equity instruments, which are reacquired are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.25 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.26 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, the Group assessed the probability of expected future cash inflows based on expected revenues from existing orders and contracts for the next three years.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised for unused tax losses. The carrying amounts of the Group's unrecognised tax losses as at 31 December 2025 were \$18,956,000 (2024: \$21,408,000). If the Group was able to recognise all unrecognised tax losses, profit would increase by \$4,121,000 (2024: \$5,462,000).

(b) Income taxes

The Group has exposure to income taxes in multiple jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes that is affected by the interpretation of complex tax regulations and the amount and timing of future taxable income and deductible expenditures. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises and measures liabilities for expected tax issues based on estimates of whether additional taxes will be due, possible consequences of audits by the tax authorities, as well as judgement made on whether it is probable that the Group's tax positions would be accepted by the tax authority. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax payable, deferred tax assets and deferred tax liabilities as at 31 December 2025 are disclosed separately in the balance sheet and further details on deferred tax assets and deferred tax liabilities are disclosed in Note 18.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimates uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Fair value of investment properties

Investment properties are measured at their fair values. The fair value was based on a valuation on the property conducted by an independent firm of professional valuers using property valuation techniques which involve making assumptions on certain market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties, and the corresponding adjustments to the gain or loss recognised in profit or loss. The carrying amount of the investment properties at the end of the reporting period is disclosed in Note 14.

Further details including the key assumptions used for fair value measurement are disclosed in Note 32.

(b) Impairment of property, plant and equipment and right-of-use assets

The carrying amounts of items of property, plant and equipment and right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying amounts may not be recoverable. Management also considered if there has been any event of changes in circumstances that may indicate reversal of impairment where recoverable amount became in excess of the carrying amount. The recoverable amount of property, plant and equipment and right-of-use assets is the higher of its fair value less costs of disposal and value in use, the calculations of which involve the use of estimates.

The fair value less costs of disposal of the assets of cash generating unit ("CGU") 1, 2 and 3 have been estimated by management based on the assistance of independent valuer or reference to external party's quotation which is based on market selling prices and adjusted for condition and age of assets and estimated costs of disposal.

The carrying amounts of the property, plant and equipment and right-of-use assets at the end of the reporting period are disclosed in Note 13 and Note 26(a) respectively.

(c) Allowance for inventory obsolescence

Management reviews the condition of inventories and exercises judgment in identifying slow-moving inventories. Based on the slow-moving inventory identified, the Group further analyses the slow-moving inventories to identify obsolete inventories after considering a number of factors, including committed orders and/or production forecasts provided by customers, age of inventories and if inventories are identified as end-of-life products by customers. Management makes allowance against obsolete and slow-moving inventory items and end-of-life products which are identified as no longer suitable for sale or use.

In addition, the review and analysis also involve comparison of the carrying value of the inventory items with the respective net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. The carrying amount of the Group's allowance for inventory obsolescence as at 31 December 2025 was \$2,292,000 (2024: \$2,614,000).

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. INVESTMENT IN A SUBSIDIARY

	Company	
	2025 \$'000	2024 \$'000
Equity shares, at cost	47,061	47,061

(a) Composition of the Group

The Group has the following significant investments in subsidiaries.

Name	Principal place of business	Principal activities	Proportion of ownership interest	
			2025 %	2024 %
<i>Held by the Company</i>				
Mansfield Manufacturing Company Limited ("Mansfield") ⁽¹⁾	Hong Kong	Trading and investment holding	100	100
<i>Held through subsidiaries</i>				
Lens Tool & Die (H.K.) Limited ⁽¹⁾	Hong Kong	Trading and investment holding	100	100
Magix Mechatronics Company Limited ⁽¹⁾	Hong Kong	Trading and investment holding	100	100
Mansfield Manufacturing (M) Sdn. Bhd. ⁽¹⁾⁽⁴⁾	Malaysia	Metal parts manufacturing, tool and die making	100	–
Feng Chuan Tooling (Dongguan) Company Limited ⁽²⁾	People's Republic of China	Precision tool and die design and fabrication	100	100
Mansfield (Suzhou) Manufacturing Company Limited ⁽²⁾	People's Republic of China	Metal parts manufacturing, tool and die making	100	100
Magix Mechatronics (Dongguan) Company Limited ⁽²⁾	People's Republic of China	Precision machining components manufacturing	100	100
Sun Mansfield Manufacturing (Dongguan) Company Limited ⁽²⁾	People's Republic of China	Metal parts manufacturing, tool and die making	100	100
Mansfield Manufacturing (Wuhan) Company Limited ⁽¹⁾	People's Republic of China	Metal parts manufacturing, tool and die making	100	100
Mansfield Surface Treatment (Dongguan) Company Limited ⁽²⁾⁽⁵⁾	People's Republic of China	Metal parts surface treatment and anodising	100	–
Mansfield Technology (Taiwan) Company Limited ⁽³⁾	Taiwan	Provides sales and marketing support services	100	100

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. INVESTMENT IN A SUBSIDIARY (CONTINUED)

(a) Composition of the Group (Continued)

Name	Principal place of business	Principal activities	Proportion of ownership interest	
			2025 %	2024 %
Mansfield (Thailand) Co. Ltd. ⁽¹⁾	Thailand	Metal parts manufacturing, tool and die making	100	100
Mansfield (Vietnam) Co. Ltd. ⁽¹⁾	Vietnam	Precision machining components, metal parts manufacturing, tool and die making	100	100
Hua Yuan Sheng Industrial Co. Limited ⁽¹⁾⁽⁶⁾	Vietnam	Metal parts manufacturing, tool and die making	–	70

⁽¹⁾ Audited by member firms of Ernst & Young Global in the respective countries.

⁽²⁾ Audited by member firms of Ernst & Young Global in the respective countries for the purpose of group audit.

⁽³⁾ Not required to be audited by the law in the country of incorporation and not material to the Group.

⁽⁴⁾ Incorporated on 2 May 2025.

⁽⁵⁾ Incorporated on 16 January 2025.

⁽⁶⁾ Disposed of on 21 October 2025.

(b) Interest in subsidiary with material non-controlling interests

During the financial year ended 31 December 2025, the Group has the following subsidiary that has non-controlling interests (“NCI”) that is material to the Group which was disposed of during the financial year. The results of the subsidiary had been included in the Group’s consolidated financial statements up to 30 September 2025 and further details are disclosed in Note 4(d).

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Loss allocated to NCI during the reporting period \$'000	Accumulated NCI at 30 September 2025 \$'000
For the period ended 30 September 2025				
Hua Yuan Sheng Industrial Co. Limited	Vietnam	30%	(445)	–
Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Loss allocated to NCI during the reporting period \$'000	Accumulated NCI at the end of reporting period \$'000
2024				
Hua Yuan Sheng Industrial Co. Limited	Vietnam	30%	(305)	672

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. INVESTMENT IN A SUBSIDIARY (CONTINUED)

(c) Summarised financial information about subsidiary with material NCI

	Hua Yuan Sheng Industrial Co. Limited	
	30 September	
	2025	2024
	\$'000	\$'000
Summarised balance sheet		
Total assets	6,368	8,909
Total liabilities	5,479	6,668
Net assets	889	2,241
Summarised statement of comprehensive income		
Revenue	3,350	6,723
Loss for the period/year	(1,484)	(1,016)
Other comprehensive income	(44)	(14)
Total comprehensive income for the period/year	(1,528)	(1,030)
Summarised cash flow statement		
Net cash generated from/(used in) operating activities	645	(411)
Net cash used in investing activities	–	(331)
Net cash used in financing activities	(729)	(33)
Net decrease in cash and cash equivalents	(84)	(775)

(d) Disposal of subsidiary with material NCI

On 30 September 2025, the Company's wholly-owned subsidiary, Mansfield Manufacturing Company Limited ("MSF"), entered into a sale and purchase agreement to dispose its entire 70%-interest in Hua Yuan Sheng Industrial Company Limited ("HYS VN") to the non-controlling shareholder, HuaYuanSheng Metal, Plastic and Electronic Limited, for a consideration of USD500,000, proceeds of which were received on 2 October 2025.

On 21 October 2025, the Group completed the above disposal following the receipt of approval from the relevant governmental authority in Vietnam for the transfer of shares. The Enterprise Registration Certificate of HYS VN has been updated to reflect the change in ownership.

The Group recognised the disposal of the subsidiary as of 30 September 2025, following management's assessment that the 21-day difference between the actual date of control transfer and 30 September 2025 is not material to the consolidated financial statements. Accordingly, the results of the subsidiary had been included in the Group's consolidated financial statements up to 30 September 2025.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

4. INVESTMENT IN A SUBSIDIARY (CONTINUED)

(d) Disposal of subsidiary with material NCI (Continued)

The value of assets and liabilities of HYS VN as at 30 September 2025, and the effects of the disposal were:

	30 September 2025 \$'000
Property, plant and equipment	3,660
Right-of-use assets	731
Long term receivables	115
Inventories	326
Trade and other receivables	1,145
Prepayments	53
Cash and short-term deposits	338
Total assets	6,368
Trade and other payables	(719)
Loans and borrowings	(3,866)
Lease liabilities	(894)
Total liabilities	(5,479)
Net assets	889

Loss on disposal of a subsidiary:

	30 September 2025 \$'000
Consideration, net of transaction costs	632
Net assets derecognised	(889)
Foreign currency translation recycled to profit or loss upon disposal of subsidiaries	(196)
Non-controlling interests	183
Loss on disposal of a subsidiary	(270)

The loss on disposal of a subsidiary amounted to S\$270,000 was included in "other expenses" in profit or loss.

Analysis of net cashflow arising from disposal of a subsidiary:

	30 September 2025 \$'000
Cash received	632
Net cash of subsidiary derecognised	(338)
Net cash inflow from deconsolidation	294

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. REVENUE

(a) Disaggregation of revenue from contracts with customers

Segments	Precision mechanical manufacturing		Precision intelligent manufacturing		Total revenue	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Primary geographical markets						
Hong Kong/The People's Republic of China	163,614	176,249	25,059	30,656	188,673	206,905
Thailand	11,944	13,630	–	–	11,944	13,630
Vietnam	3,350	6,660	5,947	10,840	9,297	17,500
	178,908	196,539	31,006	41,496	209,914	238,035
Major sectors served						
Office Automation	47,222	60,660	–	–	47,222	60,660
Automotive	81,316	81,990	745	2,007	82,061	83,997
TV/Display	–	–	26,696	38,259	26,696	38,259
AI Server	40,292	35,552	2,902	–	43,194	35,552
New Field	5,257	12,968	–	871	5,257	13,839
Others	4,821	5,369	663	359	5,484	5,728
	178,908	196,539	31,006	41,496	209,914	238,035
Timing of transfer of goods						
At a point in time	178,908	196,539	31,006	41,496	209,914	238,035

(b) Judgement and methods used in estimating revenue

Recognition of revenue from manufacture and sale of tooling

For sale of tooling where the Group satisfies its performance obligation, revenue is recognised at a point in time when the customer obtains control of the tooling because the Group does not have an enforceable right to payment for performance completed to-date based on the contractual terms and practices in the relevant legal jurisdiction.

(c) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	Note	Group	
		2025 \$'000	2024 \$'000
Receivables from contracts with customers	20	64,132	57,269
Capitalised contract costs	19	10,610	8,896
Contract assets		6,582	5,418
Contract liabilities		2,441	2,332

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

5. REVENUE (CONTINUED)

(c) Contract assets and contract liabilities (Continued)

The Group has recognised net allowance for expected credit losses on financial assets at amortised cost amounting to \$80,000 (2024: \$368,000) during the financial year ended 31 December 2025.

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for sale of tooling. Contract assets are transferred to receivables when the rights become unconditional. During the financial year ended 31 December 2025, the increase in contract assets was mainly due to completion of tools amounting to \$3,862,000 (2024: \$3,745,000). \$2,406,000 (2024: \$2,922,000) was reclassified to receivables when the rights become unconditional. The Group has recognised impairment loss on contract assets amounting to \$157,000 (2024: \$Nil) for the current financial year due to difficulty in recovering the related balances.

Contract liabilities primarily relate to the Group's obligation to transfer goods to customers for which the Group has received advances from customers for sale of tooling. Contract liabilities are recognised as revenue as the Group satisfies its obligation under the contract.

Significant changes in contract liabilities are explained as follows:

	Group	
	2025 \$'000	2024 \$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>2,064</u>	<u>3,833</u>

(d) Transaction price allocated to performance obligation

The Group expects to recognise revenue relating to the transaction price allocated to the unsatisfied performance obligation once the customer obtains control of the tooling and components as the Group does not have an enforceable right to payment for performance completed to-date based on the contractual terms and practices in the relevant legal jurisdiction.

The transaction price for tooling and components are separately quoted in the contract entered into with customers. The Group has determined that such quoted prices are reasonable estimates of the standalone selling prices of each of these performance obligations after considering its pricing strategies and practices in situations where the tooling is purchased by customer separately without the manufacturing of components and vice versa. Accordingly, the transaction prices allocated to each of the performance obligations relating to tooling and components are based on respective prices quoted in the production contract.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

6. INTEREST INCOME

	Group	
	2025	2024
	\$'000	\$'000
Interest income from:		
– Debt instruments at amortised cost	672	1,511
– Debt instruments at fair value through profit or loss	68	94
– Debt instruments at fair value through other comprehensive income	399	532
	1,139	2,137

7. OTHER INCOME

	Note	Group	
		2025	2024
		\$'000	\$'000
Rental income		2,654	3,017
Net fair value gain on investment securities measured at fair value through profit or loss		1,918	1,595
Dividend income from other investments		383	365
Net gain on disposal of property, plant and equipment		–	192
Gain on termination of lease		142	–
Net fair value gain on investment properties	14	–	226
Net gain on disposal of other investments		182	–
Government grants*		180	348
Net foreign exchange gain		–	1,076
Others		338	524
		5,797	7,343

* Government grants mainly relate to incentive subsidies in the People's Republic of China (the "PRC").

Incentive subsidies were received from local district authorities in the People's Republic of China (the "PRC") for the business activities carried out by the Group in that district.

8. FINANCE COSTS

	Note	Group	
		2025	2024
		\$'000	\$'000
Interest on borrowings	25	232	303
Interest on lease liabilities	25	1,032	1,761
		1,264	2,064

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

9. OTHER EXPENSES

	Note	Group	
		2025 \$'000	2024 \$'000
Net loss on disposal of other investments		–	24
Loss on disposal of property, plant and equipment		4	–
Allowance for expected credit losses on financial assets at amortised cost			
– Trade receivables	20	4	368
– Other receivables		76	–
Impairment loss on contract assets	20	157	–
Impairment loss on property, plant and equipment	13	–	505
Impairment loss on right-of-use assets	26	–	644
Net fair value loss on investment properties	14	385	–
Loss on disposal of a subsidiary	4(d)	270	–
Net foreign exchange loss		254	–
		1,150	1,541

10. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Note	Group	
		2025 \$'000	2024 \$'000
Audit fees:			
– Auditor of the Company		191	237
– Member firms of the auditor of the Company		349	328
– Other auditors		63	74
Non-audit fees:			
Non-audit related fees:			
– Auditor of the Company		17	27
– Member firms of the auditor of the Company		78	77
– Other auditors		91	53
Inventories recognised as an expense in cost of sales	19	98,860	107,415
Capitalised contract costs recognised as an expense in cost of sales	19	5,922	6,691
Depreciation of property, plant and equipment	13	6,121	5,709
Depreciation of right-of-use assets	26(a)	5,431	6,140
Amortisation of intangible assets	15	367	221
Net (gain)/loss on disposals of other investments	7, 9	(182)	24
Employee benefit expense (including directors):			
– Salaries, bonuses and allowance		48,918	54,629
– Contributions to defined contribution plans		5,161	3,803
– Reversal of long-term benefits	23	(12)	(4)
– Termination benefits		603	–
– Share-based payments		214	121
Lease expenses	26(c)	299	415

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2025 and 2024 are:

	Group	
	2025	2024
	\$'000	\$'000
Consolidated income statement		
<u>Current income tax:</u>		
Current income taxation	1,101	1,848
Over provision in respect of previous years	(235)	(378)
	<u>866</u>	<u>1,470</u>
<u>Deferred income tax:</u>		
Origination and reversal of temporary differences	208	360
	<u>208</u>	<u>360</u>
Income tax expense recognised in profit or loss	<u>1,074</u>	<u>1,830</u>

Relationship between income tax expense and accounting profit

A reconciliation between the income tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2025 and 2024 are as follows:

	Group	
	2025	2024
	\$'000	\$'000
Profit before tax	<u>2,626</u>	<u>7,322</u>
Tax at the domestic rates applicable to profits in the countries where the Group operates	556	1,583
<u>Adjustments:</u>		
Income not subject to taxation	(840)	(714)
Non-deductible expenses	1,482	2,371
Benefits from previously unrecognised deferred tax assets	(400)	(646)
Effect of tax exemption, tax rebates and tax incentive	(180)	(886)
Over provision in respect of previous years	(235)	(378)
Deferred tax assets not recognised	764	355
Others	(73)	145
Income tax expense recognised in profit or loss	<u>1,074</u>	<u>1,830</u>

The above reconciliation is prepared by aggregating separate reconciliations of each national jurisdiction.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

11. INCOME TAX EXPENSE (CONTINUED)

Relationship between income tax expense and accounting profit (Continued)

For the financial year ended 31 December 2025, the corporate income tax rate applicable to the Company is 17% (2024: 17%). For the subsidiaries operating in Hong Kong, the PRC, Thailand, Vietnam and Malaysia, income taxes are calculated using domestic tax rates of 16.5% (2024: 16.5%), 25% (2024: 25%), 20% (2024: 20%), 20% (2024: 20%) and 24% respectively.

Three (2024: Two) subsidiaries in the PRC are entitled to a reduced corporate income tax rate of 15% under the High and New Technology Enterprise scheme. During the financial year ended 31 December 2024, the relevant subsidiaries successfully renewed their eligibility for the reduced tax rate, which is valid for three years. Upon expiry, the subsidiaries may renew their eligibility, subject to meeting the relevant criteria.

12. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and loss data used in the computation of the basic and diluted earnings per share for the years ended 31 December 2025 and 2024:

	Group	
	2025 \$'000	2024 \$'000
Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per share	1,997	5,797
	Group	
	2025 No. of shares '000	2024 No. of shares '000
Weighted average number of ordinary shares for basic earnings per share computation	230,757	231,305
Effects of dilution:		
– Share options	–	–
Weighted average number of ordinary shares for diluted earnings per share computation*	230,757	231,305

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares transactions during the year.

2,600,000 (2024: 6,700,000) share options granted to employees under the existing employee share option plans (Note 29) have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Land		Freehold Building		Leasehold Buildings		Machinery and Equipment		Furniture, Fittings, and Office Equipment		Motor Vehicles		Leasehold Improvements		Construction in-progress		Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000
Cost																		
At 1 January 2024	1,018	2,630	18,659	103,457	6,100	594	35,169	1,246	168,873									
Additions	—	—	—	3,833	157	—	341	5,750	10,081									
Disposals and write-off	—	—	—	(3,325)	(786)	(33)	(1,968)	—	(6,112)									
Reclassifications	—	120	—	4,794	62	43	1,248	(6,376)	(109)									
Exchange differences	38	102	176	2,089	128	15	579	(55)	3,072									
At 31 December 2024																		
and 1 January 2025	1,056	2,852	18,835	110,848	5,661	619	35,369	565	175,805									
Addition	—	—	—	810	34	84	276	11,084	12,288									
Disposals and write-off	—	—	—	(2,841)	(201)	(47)	(5,777)	—	(8,866)									
Disposal of a subsidiary	—	—	—	(4,205)	(4)	(29)	(992)	—	(5,230)									
Reclassifications*	—	—	—	7,127	90	—	481	(8,079)	(381)									
Exchange differences	21	58	(473)	(4,126)	(203)	(24)	(1,376)	(21)	(6,144)									
At 31 December 2025	1,077	2,910	18,362	107,613	5,377	603	27,981	3,549	167,472									

* \$381,000 (2024: \$109,000) construction in-progress for software has been reclassified and presented as "Intangible assets" (Note 15).

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold Land	Freehold Building	Leasehold Buildings	Machinery and Equipment	Furniture, Fittings, and Office Equipment	Motor Vehicles	Leasehold Improvements	Construction in-progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated depreciation and impairment loss									
At 1 January 2024	–	679	9,653	85,525	5,731	391	31,165	–	133,144
Depreciation charge for the year	–	131	761	3,434	154	51	1,178	–	5,709
Impairment	–	–	–	448	3	–	54	–	505
Disposals and write-off	–	–	–	(3,300)	(784)	(33)	(1,972)	–	(6,089)
Exchange differences	–	32	90	1,939	124	11	558	–	2,754
At 31 December 2024 and 1 January 2025	–	842	10,504	88,046	5,228	420	30,983	–	136,023
Depreciation charge for the year	–	142	740	3,793	165	58	1,223	–	6,121
Disposals and write-off	–	–	–	(2,766)	(201)	(47)	(5,741)	–	(8,755)
Disposal of a subsidiary	–	–	–	(1,138)	(2)	(15)	(415)	–	(1,570)
Exchange differences	–	22	(263)	(3,430)	(188)	(14)	(1,122)	–	(4,995)
At 31 December 2025	–	1,006	10,981	84,505	5,002	402	24,928	–	126,824
Net carrying amount									
At 31 December 2024	1,056	2,010	8,331	22,802	433	199	4,386	565	39,782
At 31 December 2025	1,077	1,904	7,381	23,108	375	201	3,053	3,549	40,648

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Total \$'000
Cost			
At 1 January 2024	34	17	51
Additions	12	2	14
Disposals	(34)	(17)	(51)
At 31 December 2024 and 1 January 2025	12	2	14
Additions	–	2	2
At 31 December 2025	12	4	16
Accumulated depreciation			
At 1 January 2024	34	17	51
Depreciation charge for the year	2	1	3
Disposal	(34)	(17)	(51)
At 31 December 2024 and 1 January 2025	2	1	3
Depreciation charge for the year	4	3	7
At 31 December 2025	6	4	10
Net carrying amount			
At 31 December 2024	10	1	11
At 31 December 2025	6	–	6

Impairment assessments

For the financial year ended 31 December 2025 and 2024, the Group estimates the recoverable amount of CGU with indicators of impairment. The recoverable amount of the CGUs has been determined based on the higher of its fair value less costs of disposal and its value in use. The recoverable amount of CGU 1, 2 and 3 (2024: CGU 1), which was identified as CGUs with indicator of impairment, was estimated based on fair value less costs of disposal. Fair value less costs of disposal has been determined based on valuations performed as at 31 December 2025 and 31 December 2024.

Impairment assessment for CGU 1, 2 and 3 in 2025

The valuation of the CGUs were determined based on the assistance of independent valuers or reference to external party's quotation for the resale value of its property, plant and equipment, taking into consideration estimated costs of disposal as at 31 December 2025.

The valuations for the CGUs were performed by independent valuers with recognized and relevant professional qualification and with recent experience in the location and category of the property, plant and machineries being valued.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Impairment assessments (Continued)

Impairment assessment for CGU 1, 2 and 3 in 2025 (Continued)

The independent valuers are as follows:

CGUs	Independent valuers
CGU 1	Avista Group
CGU 2	BMI Appraisals Limited and Avista Group
CGU 3	Prospec Appraisal Company Limited and Bangkok Property Appraisal Company Limited

Based on the valuations, no impairment charge has been recognized during the financial year ended 31 December 2025 as the recoverable amount determined was higher than the carrying amount of the property, plant and machineries being valued.

Impairment assessment for CGU 1 in 2024

The valuation of CGU 1 was determined by reference to external party's quotation for the resale value of its property, plant and equipment, taking into consideration estimated costs of disposal.

During the financial year ended 31 December 2024, the Group recognised impairment charge of \$505,000 on the property, plant and equipment and \$644,000 on right-of-use assets (Note 26) for CGU 1. These amounts have been included in the "Other expenses" line item in the consolidated income statement.

14. INVESTMENT PROPERTIES

	Note	Group	
		2025 \$'000	2024 \$'000
Balance sheet			
At 1 January		27,004	26,529
(Loss)/gain from fair value adjustments recognised in profit or loss	9, 7	(385)	226
Exchange differences		(678)	249
At 31 December		25,941	27,004
Consolidated income statement			
Rental income from investment properties – Minimum lease payments		2,654	3,017
Direct operating expenses arising from rental generating properties		715	1,423

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14. INVESTMENT PROPERTIES (CONTINUED)

Valuation of investment properties

Investment properties are stated at fair value, based on valuations performed as at 31 December 2025 and 31 December 2024. The valuations were performed by BMI Appraisals Limited, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. Details of valuation techniques and inputs used are disclosed in Note 32.

The investment properties held by the Group as at 31 December are as follows:

Company	Description and location	Properties	Existing use	Tenure	Unexpired lease term
Magix Mechatronics (Dongguan) Company Limited	Industrial complex located in Hedong Industrial Zone, Xiang Xin East Road, Yiantian Village, Fenggang Town, Dongguan City, Guangdong Province, the PRC	1 building	Factory	Leasehold	33 years
Mansfield (Suzhou) Manufacturing Company Limited	Industrial complex located in Jin Wang Road, Suzhou National New & Hi-Tech, Industrial Development Zone, Suzhou City, Jiangsu Province, the PRC	2 buildings and 1 floor of the main building	Factory	Leasehold	33 years

As at the end of financial year ended 31 December 2025, the investment property with carrying amount of \$14,967,000 (2024: \$15,560,000) was mortgaged to a bank as security for term loan (Note 25).

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

15. INTANGIBLE ASSETS

	Group Computer Software \$'000	Company Computer software \$'000
Cost		
At 1 January 2024	3,493	44
Additions	697	–
Reclassification*	109	–
Disposals	(52)	(44)
Exchange differences	3	–
At 31 December 2024 and 1 January 2025	4,250	–
Additions	491	–
Reclassification*	381	–
Disposals	(607)	–
Exchange differences	(132)	–
At 31 December 2025	4,383	–
Accumulated amortisation		
At 1 January 2024	3,127	44
Amortisation	221	–
Reclassification	(52)	(44)
Exchange differences	8	–
At 31 December 2024 and 1 January 2025	3,304	–
Amortisation	367	–
Disposals	(611)	–
Exchange differences	(108)	–
At 31 December 2025	2,952	–
Net carrying amount		
At 31 December 2024	946	–
At 31 December 2025	1,431	–

* \$381,000 (2024: \$109,000) software has been reclassified from construction in-progress “Property, plant and equipment” (Note 13).

Amortisation expense

Amortisation of computer software is included in the “Administrative expenses” line item in profit or loss.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. INVESTMENT IN JOINT VENTURE

The Group has the following investment in joint venture:

Name	Country of incorporation	Principal Activities	Proportion of ownership interest	
			2025 %	2024 %
Held through a subsidiary				
Anhui KM Technology Company Limited ("Anhui KM") ⁽¹⁾	People's Republic of China	Research and development, manufacturing and sale of precision metal parts, hardware fittings and metal assembly	49	49

⁽¹⁾ Audited by CAC CPA Limited Liability Partnership, People's Republic of China

The joint venture is incorporated in the People's Republic of China and is a strategic venture in the business. The Group jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities. The joint venture is restricted by regulatory requirements from making payment of dividends exceeding 49% of the annual profit.

Summarised financial information in respect of Anhui KM based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Group	
	2025 \$'000	2024 \$'000
Summarised balance sheet		
Cash and cash equivalents	325	89
Other current assets	4,319	6,029
Total current assets	4,644	6,118
Non-current assets	1,886	2,489
Total assets	6,530	8,607
Current liabilities	(4,145)	(5,930)
Non-current liabilities	(532)	(658)
Total liabilities	(4,677)	(6,588)
Net assets	1,853	2,019
Proportion of the Group's ownership	49%	49%
Group's share of net assets	908	989
Impairment loss of investment in joint venture*	(560)	(560)
Other adjustments	(348)	(429)
Carrying amount of the investment	–	–

* In the financial year ended 31 December 2024, the Group performed assessment for indicators of impairment for investment in joint venture and as a result, the Group recognised impairment loss of \$560,000 on investment in joint venture, which was fully impaired and included under "Share of results of joint venture". In the financial year ended 31 December 2025, the Group performed assessment for any indicators of reversal of impairment for investment in joint venture. Given that Anhui KM continued to incur losses during the financial year, management had determined that impairment of the investment should not be reversed.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

16. INVESTMENT IN JOINT VENTURE (CONTINUED)

	Group	
	2025 \$'000	2024 \$'000
Summarised statement of comprehensive income		
Revenue	4,852	6,572
Depreciation and amortisation	(423)	(469)
Other operating expenses	(4,438)	(6,516)
Interest income	–	1
Interest expense	(97)	(97)
Loss before tax	(106)	(509)
Income tax (expenses)/credit	(11)	7
Loss for the year, representing total comprehensive loss for the year	(117)	(502)
Proportion of the Group's ownership	49%	49%
Group's share of results of a joint venture	(57)	(246)
Impairment loss of investment in joint venture	–	(560)
Unrecognised share of losses of a joint venture	57	–
Total Group's share of results of joint venture	–	(806)

As of 31 December 2025, the Group has stopped recognising its share of losses of Anhui KM because the carrying amount of the investment has been reduced to zero following the impairment assessment carried out for the financial year ended 31 December 2024. The unrecognised share of losses for the year was \$57,000 and cumulated unrecognised losses amount to \$57,000.

17. OTHER INVESTMENTS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
At fair value through profit or loss				
– Equity securities (quoted)*	11,057	8,868	11,057	8,868
At fair value through other comprehensive income				
– Debt securities (quoted)**	9,476	12,313	9,476	12,313
	20,533	21,181	20,533	21,181

* Quoted equity securities are investment in shares quoted on the Singapore Stock Exchange, New York Stock Exchange, NASDAQ Stock Market, Hong Kong Stock Exchange, Australian Stock Exchange and London Stock Exchange. The Group has not elected to measure the investment in equity securities at fair value through other comprehensive income.

** Quoted debt securities are quoted bonds that are graded by credit rating companies to be investment grade.

Reclassification of financial assets from fair value through profit or loss to financial assets at fair value through other comprehensive income – Debt securities (quoted)

During February 2019, the Group formalised its change in investment strategy from holding these investments for both fixed income and short-term profit taking, to focusing on generating long-term returns via collection of the contractual cash flows of the instruments. In view of this change in investment strategy, the Group reclassified its investments in quoted debt securities with carrying amount of \$8,153,000 on 26 February 2019, which were previously measured at fair value through profit or loss to financial assets at fair value through other comprehensive income. The Group's accounting policy for the latter is included in Note 2.12(a)(ii).

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

17. OTHER INVESTMENTS (CONTINUED)

Reclassification of financial assets from fair value through profit or loss to financial assets at fair value through other comprehensive income – Debt securities (quoted) (Continued)

As at the date of reclassification, the weighted average effective interest rate for the foregoing reclassified quoted debt securities was 3.68%. The related net gains in fair value from 1 January 2019 to date of reclassification, and from date of reclassification to 31 December 2025 amounted to gain of \$35,000 (2024: \$31,000). The Group would have recorded a net fair value gain of \$4,000 in profit or loss for the year ended 31 December 2025 (2024: net fair value gain of \$8,000) had these investments not been reclassified. As at 31 December 2025, the carrying amount of these reclassified quoted debt securities that have not been derecognised amounted to \$506,000 (2024: \$502,000). The related interest income on these debt securities for the year ended 31 December 2025 amounted to \$18,000 (2024: \$18,000).

18. DEFERRED TAX

Deferred tax as at 31 December relates to the following:

Note	Provisions \$'000	Differences in depreciation \$'000	Unutilised tax losses \$'000	Foreign income not remitted \$'000	Fair value adjustments on investment properties \$'000	Net deferred tax liabilities \$'000
At 1 January 2024	775	247	618	(127)	(1,929)	(416)
Credited/(charged) to profit or loss during the year	11 (105)	12	(137)	(83)	(47)	(360)
Exchange differences	24	8	20	–	(41)	11
At 31 December 2024 and 1 January 2025	694	267	501	(210)	(2,017)	(765)
Credited/(charged) to profit or loss during the year	11 (2)	(195)	–	(92)	81	(208)
Exchange differences	(60)	(24)	(43)	–	132	5
At 31 December 2025	632	48	458	(302)	(1,804)	(968)

Net deferred tax liabilities are reflected in Balance Sheet as follows:

	Group	
	2025 \$'000	2024 \$'000
Deferred tax assets	1,072	1,251
Deferred tax liabilities	(2,040)	(2,016)
Net deferred tax liabilities	(968)	(765)

	Company	
	2025 \$'000	2024 \$'000
Deferred tax liabilities	302	210

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

18. DEFERRED TAX (CONTINUED)

Unrecognised temporary differences relating to investment in subsidiaries

At the end of the reporting period, no deferred tax liabilities have been recognised for taxes that would be payable on the undistributed earnings of the Group's subsidiaries as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liabilities have been recognised aggregate to \$14,271,000 (2024: \$12,443,000).

Unrecognised deferred tax assets

At the end of reporting period, the Group has tax losses of approximately \$18,956,000 (2024: \$21,408,000), that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement with the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group operates. Generally, the tax losses in the PRC can be carried forward for five years, except for the tax losses of entities that were granted a reduced tax rate under the High and New Technology Enterprise scheme. These tax losses can be carried forward for 10 years. The tax losses in Thailand and Vietnam can be carried forward for 5 years. The tax losses in Hong Kong have no expiry date.

Tax losses for which no deferred tax asset was recognised expire as follows:

	Group			
	2025	Expiry	2024	Expiry
	\$'000	date	S\$'000	date
Expire	14,983	2026 – 2035	17,091	2025 – 2034
Never expire	3,973	–	4,317	–

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

19. INVENTORIES

	Group	
	2025	2024
	\$'000	\$'000
Balance sheet		
Inventories		
– Raw materials (at cost)	6,668	7,050
– Work-in-progress (at cost)	4,627	3,882
– Finished goods (at cost or net realisable value)	13,196	13,097
	24,491	24,029
Capitalised contract costs – relating to manufacturing of customers' tooling	10,610	8,896
	35,101	32,925
Consolidated income statement		
Inventories recognised as an expense in cost of sales	98,860	107,415
Inclusive of the following charge/(credit):		
– Allowance for inventory obsolescence	687	1,449
– Write-back of allowance for inventory obsolescence	(395)	(134)
Capitalised contract costs recognised as an expense in cost of sales	5,922	6,691
Net impairment loss on capitalised contract costs	25	1,554

The write-back of allowance for inventory obsolescence was made when the related inventories were sold above their carrying amounts in the respective financial year.

The movement in allowance for inventory obsolescence are as follows:

	Group	
	2025	2024
	\$'000	\$'000
Movement in allowance accounts		
At 1 January	(2,614)	(382)
Charge for the year	(317)	(2,869)
Written off	407	591
Derecognition upon disposal of a subsidiary	165	–
Exchange differences	67	46
At 31 December	(2,292)	(2,614)

The methodology applied in determining the allowance for inventory obsolescence remains consistent with the prior financial year and is based on inventory ageing and other relevant factors as disclosed in Note 3.2(c).

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade and other receivables (current)					
Trade receivables		64,132	57,269	–	–
Bills receivables		3,850	3,891	–	–
Amount due from a subsidiary		–	–	8,914	8,279
Other receivables*		3,200	4,234	15	14
Refundable deposits		418	1,798	12	22
		71,600	67,192	8,941	8,315
Other receivables (non-current)					
Refundable deposits		2,021	1,133	–	–
Loan to a subsidiary		–	–	16,440	10,000
		2,021	1,133	16,440	10,000
Total trade and other receivables (current and non-current)		73,621	68,325	25,381	18,315
Add: Cash and short-term deposits	22	46,505	48,920	15,525	17,293
Less: Sales tax receivables		(1,300)	(2,749)	(15)	(13)
Total financial assets carried at amortised cost		118,826	114,496	40,891	35,595

* Sales tax receivables amounting to \$1,300,000 (2024: \$2,749,000) and \$15,000 (2024: \$13,000) are included within 'Other receivables' for the Group and the Company respectively.

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 120 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Bills receivables

Bills receivables are generally held to maturity and have an average maturity of one to six months (2024: one to six months) from the end of the reporting period.

Amount due from a subsidiary

Amount due from a subsidiary is non-trade related, unsecured, non-interest bearing, repayable upon demand and is to be settled in cash.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

Loan to a subsidiary

Loan to a subsidiary is unsecured, long-term, capital in nature and bears interest at 3-month Compounded Singapore Overnight Rate Average (“SORA”), plus 1.7% (2024: 2.2%). The loan was denominated in Singapore Dollar.

During the financial year, additional loan of a similar nature amounting to S\$6,440,000 were extended to the subsidiary, bearing a fixed interest rate of 4.72% per annum.

Expected credit losses

The movement in allowance for expected losses of trade receivables and contract assets computed based on lifetime expected credit losses are as follows:

	Group	
	2025	2024
	\$'000	\$'000
Movement in allowance accounts		
At 1 January	(112)	(164)
Charge for the year	(161)	(368)
Written off	–	421
Exchange differences	5	(1)
At 31 December	(268)	(112)

Trade and other receivables denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
United States Dollar	29,329	23,028	–	–
Euro	858	1,149	–	–
	29,329	24,177	–	–

21. PREPAYMENTS

	Group		Company	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Prepayments for property, plant and equipment	1,599	3,749	–	–
Other prepayments	357	490	34	41
	1,956	4,239	34	41

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

22. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash at banks and on hand	28,029	33,263	2,455	1,636
Cash at bank under portfolio investment management	386	757	386	757
Short-term deposits (pledged)	1,515	–	–	–
Short-term deposits	16,575	14,900	12,684	14,900
Cash and short-term deposits	46,505	48,920	15,525	17,293
Less: Bank balance under portfolio investment management	(386)	(757)	(386)	(757)
Less: Short-term deposits (pledged)	(1,515)	–	–	–
Cash and cash equivalents per cash flow statement	44,604	48,163	15,139	16,536

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one month and three months depending on the immediate cash requirements of the Group and the Company earn interest at the respective short-term deposit rates. The weighted average effective interest rate for the Group and the Company was 2.1% (2024: 3.3%) per annum respectively.

Bank balance under investment portfolio account is used for investment activities.

As at 31 December 2025, the Group placed a deposit of \$1,515,000 with a bank as security for the issuance of bank bills payable. The deposit is pledged for six months and released upon settlement of the related bills payable. During this period, the pledged deposit is not available for general working capital purposes.

Cash and cash equivalents of \$13,175,000 (2024: \$12,172,000) held in the People's Republic of China are subject to local exchange control regulations. These regulations place restriction on the amount of currency being exported.

Cash and short-term deposits denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States Dollar	8,822	17,329	392	139
Euro	1,663	1,326	72	–

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

23. PROVISIONS

	Group Provision for long service payment \$'000
At 1 January 2024	391
Unused amounts reversed	(4)
Utilised	–
Exchange differences	3
At 31 December 2024 and 1 January 2025	390
Unused amounts reversed	(12)
Utilised	(4)
Exchange differences	(9)
At 31 December 2025	365
31 December 2025	
Current	–
Non-current	365
	365
31 December 2024	
Current	5
Non-current	385
	390

Long service payment

In December 2009, the Group introduced a long service payment plan (“LSP”) in certain of its subsidiaries. The amount of the provision for LSP is estimated based on the resignation rates of employees of different grades. The estimation basis is reviewed on an ongoing basis and revised where appropriate. The Group has ceased the scheme for employees who joined from 1 October 2011 onwards. The provision for LSP is recognised for existing employees who joined prior to 1 October 2011.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

24. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade payables		40,937	38,796	–	–
Bills payables		3,031	–	–	–
Other payables		3,842	3,867	191	191
Accrued operating expenses		15,949	15,711	380	429
Refundable deposits from tenants		–	86	–	–
Total trade and other payables		63,759	58,460	571	620
Refundable deposits from tenants (non-current)		364	372	–	–
Total trade and other payables (current and non-current)		64,123	58,832	571	620
Add: Loans and borrowings	25	9,709	4,976	–	–
Less: Accrued employees and other taxes payable		(8,871)	(10,458)	(200)	(241)
Total financial liabilities carried at amortised cost		64,961	53,350	371	379

Trade and other payables

These amounts are non-interest bearing and are normally settled on 30 to 120 days' terms.

Bills payables

Bills payables are non-interest bearing and have a maturity period of six months. Bills payables are the Group's supplier finance arrangement whereby suppliers will receive payment on invoices sent to the Group from the Group's external finance provider, one of the Group's banks. If the suppliers choose to receive early payment, they pay a fee to the bank, to which the Group is not a party. The Group settles the original invoice by paying the bank based on the maturity due date of the bills payables. As disclosed in Note 22, the Group placed a deposit of \$1,515,000 with the bank for the issuance of bank bills payables.

As of 31 December 2025, carrying amount of bills payables of which suppliers have received payment amounted to \$Nil.

There were no significant non-cash changes in the carrying amount of the bills payables.

Trade and other payables denominated in foreign currencies at 31 December are as follows:

	Group		Company	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
United States Dollar	4,113	3,027	–	–

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

25. LOANS AND BORROWINGS

	Interest rate (Per annum)	Maturity	Group	
			2025 \$'000	2024 \$'000
Current liabilities:				
Bank loans (secured)	LPR-0.4% & LPR-0.5%	2026 (2024: 2025)	7,328	3,758
Bank trust receipts (secured)	1.60%	2026	550	–
Trade receivable financing (secured)	2.20%	2026	1,831	–
Loans from non-controlling interests	Nil	Nil (2024: 2025)	–	1,218
Total loans and borrowings			9,709	4,976

Bank loans (secured)

The bank loans are repayable within 12 months from the date of the first drawdown and bear interest rate at China Loan Prime Rate (“LPR”) minus 0.40% and 0.50% (2024: LPR plus 0.15%) per annum. The loans are secured over Magix Mechatronics (Dongguan) Company Limited’s investment properties as disclosed in Note 14 of the financial statements and an invention patent owned by one of the Group’s PRC subsidiaries as collateral.

The loans are denominated in Chinese Renminbi.

As at 31 December 2025 and 31 December 2024, no loan covenant was breached.

Bank trust receipts (secured)

These facilities are repayable within 180 days. It is secured over Magix Mechatronics (Dongguan) Company Limited’s investment properties as disclosed in Note 14 of the financial statements.

Trade receivable financing (secured)

As at 31 December 2025, trade receivables of S\$1,831,000 (31 December 2024: S\$Nil) were factored with recourse by one PRC subsidiary. The Group continues to recognise these receivables in the statement of financial position and has recorded a corresponding liability under borrowings. The proceeds from factoring were used to fund working capital requirements.

It is secured over Magix Mechatronics (Dongguan) Company Limited’s investment properties as disclosed in Note 14 of the financial statements.

Loans from non-controlling interests

Loans from non-controlling interests, were repayable 12-months from the agreements dated in 2023, was extended further in prior year for another 12 months. The loans were denominated in United States Dollar, unsecured, interest-free, and repayable in the next 12 months. Following the disposal of HYS VN (Note 4(d)), the loans from non-controlling interests have been derecognised on 30 September 2025.

As of 31 December 2025, loans from non-controlling interests with the carrying amount of S\$1,160,000 have been derecognised upon the disposal of subsidiary as disclosed in Note 4(d) of the financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

25. LOANS AND BORROWINGS (CONTINUED)

Reconciliation of liabilities arising from financing activities

	1.1.2025 \$'000	Cash flows \$'000	Non-cash changes			Others \$'000	31.12.2025 \$'000
			Accretion of interest \$'000	New leases entered \$'000	Termination of leases \$'000		
Group							
Bank loans							
– Current	3,758	5,730	232	–	–	(11)	9,709
Loans from non-controlling interests							
– Current	1,218	–	–	–	–	(1,218)	–
Lease liabilities							
– Current	6,918	(7,423)	1,032	3,893	(634)	1,817	5,603
– Non-current	6,943	–	–	18,643	(2,480)	(3,254)	19,852
	18,837	(1,693)	1,264	22,536	(3,114)	(2,666)	35,164
Company							
Lease liabilities							
– Current	30	(31)	1	–	–	9	9
– Non-current	9	–	–	–	–	(9)	–
	39	(31)	1	–	–	–	9

	1.1.2024 \$'000	Cash flows \$'000	Non-cash changes			Others \$'000	31.12.2024 \$'000
			Accretion of interest \$'000	New leases entered \$'000	Termination of leases \$'000		
Group							
Bank loans							
– Current	5,773	(2,208)	303	–	–	(110)	3,758
Loans from non-controlling interests							
– Current	1,187	–	–	–	–	31	1,218
Lease liabilities							
– Current	6,084	(8,714)	1,761	627	(224)	7,384	6,918
– Non-current	11,151	–	–	3,677	(757)	(7,128)	6,943
	24,195	(10,922)	2,064	4,304	(981)	177	18,837
Company							
Lease liabilities							
– Current	11	(34)	1	–	–	52	30
– Non-current	–	–	–	61	–	(52)	9
	11	(34)	1	61	–	–	39

The “Others” column relates to reclassification of non-current portion of loans and borrowings including obligations under finance leases due to passage of time, disposal of a subsidiary and foreign exchange differences.

26. LEASES

Group as a lessee

The Group has lease contracts for certain properties and motor vehicles where the tenures range from one to six years with no renewal option or escalation clauses included in the contracts. The Group’s obligations under these leases are secured by the lessor’s title to the leased assets.

The Group also has certain leases of properties with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

26. LEASES (CONTINUED)

(a) Carrying amounts of right-of-use assets

	Group Leasehold land and buildings \$'000	Company Leasehold building \$'000
At 1 January 2024	15,805	11
New leases entered	4,595	60
Impairment	(644)	–
Depreciation	(6,140)	(32)
Termination	(934)	–
Exchange differences	(25)	–
At 31 December 2024 and 1 January 2025	12,657	39
New leases entered	22,481	–
Depreciation	(5,431)	(30)
Termination	(2,974)	–
Disposal of a subsidiary	(731)	–
Exchange differences	(431)	–
At 31 December 2025	25,571	9

(b) Lease liabilities

The carrying amounts of lease liabilities (included under loans and borrowings) and the movement during the year and the maturity analysis of lease liabilities are disclosed in Note 33(d).

(c) Amounts recognised in consolidated income statement

	Group	
	2025 \$'000	2024 \$'000
Depreciation of right-of-use assets	5,431	6,140
Impairment of right-of-use assets (Note 9)	–	644
Interest expense on lease liabilities (Note 8)	1,032	1,761
Lease expense not capitalised in lease liabilities		
– Expense relating to leases of low-value assets (included in administrative expenses) (Note 10)	299	415
At 31 December	6,762	8,960

(d) Total cash outflow

The Group had total cash outflows for leases of \$7,722,000 in 2025 (2024: \$9,129,000).

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

26. LEASES (CONTINUED)

(e) Extension options

The Group does not have any lease contracts that include extension options.

Group as a lessor

The Group has entered into industrial property leases on its investment properties. These non-cancellable leases have remaining lease terms of 1 to 5 years (2024: 1 to 4 years). The terms of the lease generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the term of the lease.

The Group is exposed to changes in the residual value at the end of the current leases and the Group typically enters into new operating leases following the expiry of existing operating leases.

Rental income from investment properties is disclosed in Note 14.

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2025	2024
	\$'000	\$'000
Not later than one year	2,673	3,057
Later than one year but not later than five years	3,359	2,558
	6,032	5,615

27. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	Group and Company			
	2025		2024	
	No. of Shares '000	\$'000	No. of shares '000	\$'000
Issued and fully paid ordinary shares				
At 1 January and 31 December	246,656	98,021	246,656	98,021

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The Group has an employee share option plan (Note 29) under which options to subscribe for the Company's ordinary shares have been granted to employees of the Group.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

27. SHARE CAPITAL AND TREASURY SHARES (CONTINUED)

(b) Treasury shares

	Group and Company			
	2025		2024	
	No. of shares '000	\$'000	No. of shares '000	\$'000
As at 1 January	15,351	8,855	15,351	8,855
Share buyback during the period	1,526	563	–	–
Reissued pursuant to ESOP				
– For cash exercise of ESOP	(3,500)	(1,715)	–	–
– Transferred from Employee share option reserve	–	(317)	–	–
– Gain transferred to gain or loss on reissuance of treasury shares	–	79	–	–
	(3,500)	(1,953)	–	–
As at 31 December	13,377	7,465	15,351	8,855

Treasury shares relate to ordinary shares of the Company that is held by the Company.

During the financial year, the Company reissued 3,500,000 (2024: Nil) treasury shares pursuant to its employee share option plans at a weighted average exercise price of \$0.56 (2024: Nil) each.

28. OTHER RESERVES

	Note	Group		Company	
		2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Asset revaluation reserve	(a)	2,550	2,550	–	–
Foreign currency translation reserve	(b)	(15,211)	(12,016)	–	–
Statutory reserve fund	(c)	8,003	7,726	–	–
Gain or loss on reissuance of treasury shares	(d)	(1,627)	(1,706)	(1,627)	(1,706)
Employee share option reserve	(e)	465	624	465	624
Fair value through other comprehensive income reserve ("FVOCI reserve")	(f)	346	166	346	166
		(5,474)	(2,656)	(816)	(916)

(a) Asset revaluation reserve

This relates to revaluation surplus, net of tax of owner-occupied properties that are remeasured from their carrying amount to fair value at the date when it is transferred from property, plant and equipment to investment properties. This reserve is not reclassified to profit or loss when the property is disposed.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

28. OTHER RESERVES (CONTINUED)

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange difference arising on monetary items that form part of the Group's net investment in subsidiary and translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Statutory reserve fund

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the People's Republic of China, such subsidiaries are required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

(d) Gain or loss on reissuance of treasury shares

This represents the gain or loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

(e) Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to employees (Note 29). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced by the expiry or exercise of the share options.

(f) Fair value through other comprehensive income reserve ("FVOCI reserve")

FVOCI reserve represents the cumulative fair value changes, net of tax (excluding impairment losses, foreign exchange gains and interest calculated using the effective interest method), of FVOCI financial assets (Quoted debt securities – Note 17) until they are disposed or derecognised, at which point they are reclassified to profit or loss.

29. EMPLOYEE SHARE OPTION PLANS

InnoTek Employees' Share Option Scheme 2021 ("Scheme 2021") was approved by Shareholders at the Extraordinary General Meeting ("EGM") on 29 April 2021. Scheme 2021 succeeded Scheme 2014 which expired in 2019. Scheme 2021 has a maximum period of ten years from the date of its adoption at the EGM.

The options granted under "Scheme 2021" with the exercise price set at the Market Price (a price equal to the average of the last dealt prices for the shares on the Singapore Exchange over the 5 consecutive market days immediately preceding the date of grant of an option) shall be vested after the first anniversary of the date of grant whereas options granted with the exercise price set at a discount to the Market Price shall only be exercisable after the first anniversary of the date of grant of such option.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. EMPLOYEE SHARE OPTION PLANS (CONTINUED)

The option granted has a life span of 5 years from the date of grant and any option not exercisable on the date on which an option holder ceased to be employed by the Group shall immediately lapse and become null and void on such date. There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options.

All employees share option plans are administered by the Remuneration Committee which approves the dates of grant after the announcement of the half year and full year results of the Group. The unissued ordinary shares of the Company under the plans as at 31 December 2025 can be found under the Section “Options” of the Directors’ Statement.

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices (“WAEP”) of, and movements in, share options during the year:

	2025		2024	
	No. of share options	WAEP (\$)	No. of share options	WAEP (\$)
Outstanding at 1 January	6,700,000	0.599	8,000,000	0.612
– Granted ⁽¹⁾	–	–	4,000,000	0.490
– Lapsed ⁽²⁾	–	–	(5,000,000)	0.502
– Cancelled	(600,000)	0.625	(300,000)	0.760
– Exercised	(3,500,000)	0.490	–	–
Outstanding at 31 December ⁽³⁾	2,600,000	0.739	6,700,000	0.599
Exercisable at 31 December	2,600,000	0.739	6,700,000	0.599

⁽¹⁾ On 2 September 2024, 4 million share options were granted to various employees of the Group under the “Scheme 2021”.

⁽²⁾ 5 million share options of a director lapsed during the year.

⁽³⁾ The range of exercise price for options outstanding at the end of the year was \$0.490 to \$0.760 (2024: \$0.490 to \$0.760). The weighted average remaining contractual life for these options is 1.1 years (2024: 3.7 years).

Fair value of share options granted

The fair value of the share options granted under Scheme 2021 are estimated at the grant date using the Trinomial Option Pricing Model, taking into account the terms and conditions upon which the share options were granted. The model also take into account historic dividends and share price fluctuation covariance of the Company to predict the distribution of relative share performance.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

29. EMPLOYEE SHARE OPTION PLANS (CONTINUED)

Fair value of share options granted (Continued)

The following tables list the inputs to the option pricing models for Scheme 2021:

Scheme 2021

3,300,000 options granted on 6 December 2021⁽¹⁾

Dividend yield (\$/year)	0.015
Expected volatility (%)	36.0
Risk-free rate (% per annum)	1.39
Expected life of option (years)	1.0
Share price (\$)	0.755
Exercise price (\$)	0.760
Fair value of options granted (\$)	<u>0.186</u>

Scheme 2021

4,000,000 options granted on 2 September 2024⁽²⁾

Dividend yield (\$/year)	0.02
Expected volatility (%)	31.1
Risk-free rate (% per annum)	2.61
Expected life of option (years)	3.0
Share price (\$)	0.500
Exercise price (\$)	0.490
Fair value of options granted (\$)	<u>0.091</u>

⁽¹⁾ As of 31 December 2025, the exercisable share options from this grant were 2,400,000 (2024: 2,700,000). During the year, 300,000 options were cancelled, bringing the total cumulative cancellations to 900,000 (2024: 600,000).

⁽²⁾ As of 31 December 2025, the exercisable share options from this grant were 200,000 (2024: 4,000,000). During the year, 300,000 options were cancelled and 3,500,000 options were exercised.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

30. RELATED PARTY TRANSACTIONS

(a) Sales and purchases of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the year:

	Group	
	2025 \$'000	2024 \$'000
Sales of goods to:		
– Joint venture	190	1,374
– Companies related to a director	2	4
Purchase of goods from:		
– Joint venture	(6)	(1,036)
– Companies related to a director	(88)	(167)
Rental payments to a company related to a director	(869)	(1,054)
Purchase of plant and machinery from joint venture	(128)	(217)

Included in lease liabilities (Note 25) at 31 December 2025 is an amount of \$1,244,000 (2024: \$1,697,000) relating to a lease arrangement with a company owned by a director.

(b) Compensation of key management personnel

	Group	
	2025 \$'000	2024 \$'000
Short-term employee benefits	5,151	4,078
Contributions to defined contribution plans	207	140
Share-based payments	214	121
	5,572	4,339
<i>Comprise amounts paid/payable to:</i>		
– Directors of the Company	930	954
– Other key management personnel	4,642	3,385
	5,572	4,339

The remuneration of key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

Interest of key management personnel in employee share option plan

At the end of the reporting period, there was a total outstanding 2,600,000 (2024: 6,700,000) share options granted by the Company to key management personnel of the Group under Scheme 2021. A key management's share options of 5,000,000 under Scheme 2014 lapsed in financial year 2024. Further, 600,000 (2024: 300,000) share options under Scheme 2021 were cancelled during the year.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

31. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2025 \$'000	2024 \$'000
Capital commitments in respect of property, plant and equipment	<u>7,284</u>	<u>4,131</u>

(b) Contingent liabilities

At the end of the reporting, no corporate guarantees were issued in favour of any financial institutions for banking facilities extended to the subsidiaries of the Group.

32. FAIR VALUE OF ASSETS AND LIABILITIES

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO FINANCIAL STATEMENTS

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32. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	Note	Fair value measurements at the end of the reporting period using			Total \$'000
		Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
31 December 2025					
Assets measured at fair value					
<u>Financial assets at FVPL</u>					
Quoted equity securities	17	11,057	–	–	11,057
<u>Financial assets at FVOCI</u>					
Quoted debt securities	17	9,476	–	–	9,476
Financials assets as at 31 December 2025					
		20,533	–	–	20,533
Non-financial assets as at 31 December 2025					
Investment properties – Industrial	14	–	–	25,941	25,941

Group	Note	Fair value measurements at the end of the reporting period using			Total \$'000
		Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
31 December 2024					
Assets measured at fair value					
<u>Financial assets at FVPL</u>					
Quoted equity securities	17	8,868	–	–	8,868
<u>Financial assets at FVOCI</u>					
Quoted debt securities	17	12,313	–	–	12,313
Financials assets as at 31 December 2024					
		21,181	–	–	21,181
Non-financial assets as at 31 December 2024					
Investment properties – Industrial	14	–	–	27,004	27,004

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets and liabilities measured at fair value (Continued)

		Fair value measurements at the end of the reporting period using			
Company	Note	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
31 December 2025					
Assets measured at fair value					
<u>Financial assets at FVPL</u>					
Quoted equity securities	17	11,057	–	–	11,057
<u>Financial assets at FVOCI</u>					
Quoted debt securities	17	9,476	–	–	9,476
Financials assets as at 31 December 2025		20,533	–	–	20,533
		Fair value measurements at the end of the reporting period using			
Company	Note	Quoted prices in active markets for identical instruments (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	Total \$'000
31 December 2024					
Assets measured at fair value					
<u>Financial assets at FVPL</u>					
Quoted equity securities	17	8,868	–	–	8,868
<u>Financial assets at FVOCI</u>					
Quoted debt securities	17	12,313	–	–	12,313
Financials assets as at 31 December 2024		21,181	–	–	21,181

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurement using significant unobservable inputs (Level 3):

Description	Fair value as at 31 December 2025 \$'000	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurements				
Investment properties – Industrial	25,941	Income approach	Capitalisation rate	8% – 11%

Description	Fair value as at 31 December 2024 \$'000	Valuation techniques	Unobservable inputs	Range
Recurring fair value measurements				
Investment properties – Industrial	27,004	Income approach	Capitalisation rate	8% – 11%

Under the income approach, more specifically a term and reversion analysis, fair value is estimated by considering the capitalised rental incomes derived from the existing tenancies with due provision for any reversionary income potential of the property at appropriate reversionary yield and where appropriate cross checking to comparable sales evidences as available in the relevant market subject to suitable adjustments between the property and the comparable properties.

For industrial investment properties, a significant increase/(decrease) in the market rental and passing rent would result in a significant increase/(decrease) in the fair value of the investment properties. A significant increase/(decrease) in the capitalisation rate would result in a significant decrease/(increase) in the fair value of the investment properties.

(ii) Valuation policies and procedures

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 *Fair Value Measurement* guidance to perform the valuation.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

32. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Level 3 fair value measurements (Continued)

(ii) Valuation policies and procedures (Continued)

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information are reasonably available. For valuations that are sensitive to the unobservable inputs used, reputable external valuation experts will be engaged to ensure valuation are properly executed according to industry standard guideline.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(d) Fair value of financial instruments whose carrying amounts are reasonable approximation of fair value

Cash and short-term deposits, trade and other receivables, contract assets, trade and other payables, contract liabilities and loans and borrowings.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

For non-current financial liabilities, the carrying amounts are reasonable approximation of fair values as effects of discounting is insignificant.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key risks are interest rate risk, foreign currency risk, credit risk, liquidity risk and market price risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their investment securities and loans and borrowings. The Group's policy is to obtain the most favourable interest rates available without increasing its exposure to foreign currency.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates (increase or decrease in basis points), with all other variables held constant:

		Group	
		2025	2024
		Profit	Profit
		before tax	before tax
		Increase/ (Decrease)	Increase/ (Decrease)
		\$'000	\$'000
Singapore Dollar	– Increase 100 (2024: 100)	221	220
	– Decrease 100 (2024: 100)	(221)	(220)
Chinese Renminbi	– Increase 100 (2024: 100)	61	(50)
	– Decrease 100 (2024: 100)	(61)	50

(b) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily SGD, RMB and Hong Kong Dollar (“HKD”). The foreign currencies in which these transactions are denominated are mainly United States Dollar (“USD”) and Euro (“EUR”). The Group manages its transactional currency exposures by matching as far as possible, its receipt and payment in each individual currency.

The Group and the Company also hold cash and short-term deposits denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are disclosed in Note 22.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD and EUR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

		Group	
		2025 Profit before tax Increase/ (Decrease) \$'000	2024 Profit before tax Increase/ (Decrease) \$'000
USD/SGD	– Strengthened 5% (2024: 5%)	76	47
	– Weakened 5% (2024: 5%)	(76)	(47)
USD/HKD	– Strengthened 5% (2024: 5%)	168	148
	– Weakened 5% (2024: 5%)	(168)	(148)
EUR/HKD	– Strengthened 5% (2024: 5%)	111	53
	– Weakened 5% (2024: 5%)	(111)	(53)
USD/RMB	– Strengthened 5% (2024: 5%)	(64)	(15)
	– Weakened 5% (2024: 5%)	64	15

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk primarily arises from trade and other receivables and contract assets. For other financial assets (including investment securities, cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 180 days when they fall due, which are derived based on the Group's historical information.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

The Group considers “low risk” to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty’s ability to meet its obligations
- Actual or expected significant changes in the operating results of the counterparty
- Significant increases in credit risk on other financial instruments of the same counterparty
- Significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparties in the group and changes in the operating results of the counterparty

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or the counterparty
- A breach of contract, such as a default or past due event
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

Debt instruments at fair value through other comprehensive income

The Group's and Company's debts instruments at fair value through other comprehensive income at the reporting date comprise solely of quoted bonds that are graded as investment grade bonds by at least one major external credit rating companies (i.e. Moody's, Standard and Poor's and Fitch). With the assistance from the appointed representative from the bank that provides investment services to the Group, the Group has determined that these debt instruments are to be considered having low credit risk at the reporting date. Consequently, the Group has assumed that the credit risk on these instruments has not increase significantly since initial recognition and the credit loss allowance for these debt instruments has been estimated based on credit losses that result from default events that are possible within the next 12-months. The estimated expected credit loss allowance for the Group's and Company's debt instruments at fair value through other comprehensive income as at 31 December 2025 is \$Nil (2024: \$Nil). The gross carrying amount of debt securities at fair value through other comprehensive income are disclosed in Note 17.

Bill receivables, refundable deposits, loan to and amounts due from a subsidiary

The Group estimates the expected credit loss for these financial assets using the probability of default approach, which considers whether there has been significant increase in their credit risks since initial recognition, the amounts exposed to credit risk, the probability of default, expected loss in event of default, and relevant forward-looking macroeconomic data that can affect the Group's estimate of credit loss with these counterparties. The estimated expected credit loss allowance for the Group's bill receivables, refundable deposits, loan to a joint venture and the Company's loan to and amounts due from a subsidiary as at 31 December 2025 and 2024 are not material to the financial statements. The gross carrying amount of these financial assets are disclosed in Note 20.

Trade receivables and contract assets

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group determines expected credit losses of trade receivables and contract assets by making debtor-specific assessment of expected impairment loss for long overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix, grouped by business units:

Precision Mechanical Manufacturing

Group	Contract assets \$'000	Trade receivables past due					Total \$'000
		Current \$'000	1 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	> 90 days \$'000	
31 December 2025							
Gross carrying amount	6,739	44,966	5,319	1,497	1,138	2,177	61,836
Loss allowance provision	157	–	–	–	–	111	268
31 December 2024							
Gross carrying amount	5,418	42,083	4,479	646	689	520	53,835
Loss allowance provision	–	–	–	–	–	112	112

Precision Intelligent Manufacturing

Group	Current \$'000	Trade receivables past due				Total \$'000
		1 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	> 90 days \$'000	
31 December 2025						
Gross carrying amount	8,792	261	78	15	–	9,146
Loss allowance provision	–	–	–	–	–	–
31 December 2024						
Gross carrying amount	8,036	770	152	6	–	8,964
Loss allowance provision	–	–	–	–	–	–

Information regarding loss allowance movement of trade receivables and contract assets are disclosed in Note 20.

During this financial year, the Group wrote off \$Nil (2024: \$421,000) of trade receivables which are more than 180 days past due as the Group does not expect to receive future cashflows from and there are no recoveries from collection of cash flows previously written off.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on balance sheets.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit risk (Continued)

Credit risk concentration profile

The Group's trading activities are carried out largely in People's Republic of China and Hong Kong. At the end of the reporting period, the Group has approximately 32% (2024: 17%) of the Group's trade receivables relating to 2 (2024: 3) major customers.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits and investment securities are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturity of financial assets and liabilities.

The Group closely monitors its working capital requirements and funds available. Sufficient liquidity is ensured through efficient cash management. Cash and cash equivalents are maintained at a healthy level appropriate to the operating environment and expected cash flows of the Group.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risk and financial and lease liabilities at the end of the reporting period based on contractual undiscounted payments obligations.

Group	One year or less \$'000	One year to five years \$'000	Total \$'000
31 December 2025			
Financial assets			
Trade and other receivables	70,300	2,021	72,321
Cash and short-term deposits	46,505	–	46,505
Other investments	20,533	–	20,533
Total undiscounted financial assets	137,338	2,021	139,359
Financial liabilities			
Loan and borrowings	9,921	–	9,921
Trade and other payables	54,888	364	55,252
Lease liabilities	6,961	21,798	28,759
Total undiscounted financial liabilities	71,770	22,162	93,932
Total net undiscounted financial assets/(liabilities)	65,568	(20,141)	45,427

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

Group	One year or less \$'000	One year to five years \$'000	Total \$'000
31 December 2024			
Financial assets			
Trade and other receivables	64,443	1,133	65,576
Cash and short-term deposits	48,920	–	48,920
Other investments	21,181	–	21,181
Total undiscounted financial assets	134,544	1,133	135,677
Financial liabilities			
Loan and borrowings	5,098	–	5,098
Trade and other payables	48,002	372	48,374
Lease liabilities	9,216	8,490	17,706
Total undiscounted financial liabilities	62,316	8,862	71,178
Total net undiscounted financial assets/(liabilities)	72,228	(7,729)	64,499
Company			
31 December 2025			
Financial assets			
Other receivables	8,926	–	8,926
Loan to a subsidiary	–	19,545	19,545
Cash and short-term deposits	15,525	–	15,525
Other investments	20,533	–	20,533
Total undiscounted financial assets	44,984	19,545	64,529
Financial liabilities			
Other payables	371	–	371
Lease liabilities	9	–	9
Total undiscounted financial liabilities	380	–	380
Total net undiscounted financial assets	44,604	19,545	64,149

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

Company	One year or less \$'000	One year to five years \$'000	Total \$'000
31 December 2024			
Financial assets			
Other receivables	8,302	–	8,302
Loan to a subsidiary	–	13,091	13,091
Cash and short-term deposits	17,293	–	17,293
Other investments	21,181	–	21,181
Total undiscounted financial assets	46,776	13,091	59,867
Financial liabilities			
Other payables	379	–	379
Lease liabilities	33	9	42
Total undiscounted financial liabilities	412	9	421
Total net undiscounted financial assets	46,364	13,082	59,446

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in the market prices (other than interest or exchange rates). The Group and the Company are exposed to price risk arising from its investment in quoted equity and debts securities. These securities are quoted on the stock exchanges of Singapore. The quoted debts securities are issued from their respective companies and subsequently traded between participants directly over-the-counter. Due to the diversity of qualities, maturities and yields, the prices of debts securities are determined by the willingness of participants to transact at a given price and are usually not quoted by a market maker such as an exchange.

The Group's objective is to manage investment returns to achieve real-term capital preservation and long-term capital growth.

Sensitivity analysis for price risk

At the end of the reporting period, if the price of the shares and bonds had been 2% higher/lower with all other variables held constant, the Group's profit before tax would have been \$221,000 (2024: \$177,000) higher/lower, arising as a result of an increase/decrease in the fair value of equity classified as financial assets at fair value through profit or loss.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

As disclosed in Note 28(c), certain subsidiaries of the Group are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, finance lease liabilities less cash and short-term deposits and structured deposits. Capital includes equity attributable to the owners of the Company less the fair value adjustment reserve and the restricted statutory reserve fund. The Group's policy is to keep the gearing ratio below one.

		Group	
	Note	2025 \$'000	2024 \$'000
Lease liabilities		25,455	13,861
Loans and borrowings	25	9,709	4,976
Less: Cash and short-term deposits	22	(46,505)	(48,920)
Net cash		(11,341)	(30,083)
Equity attributable to the owners of the Company		171,247	175,503
Less: Asset revaluation reserve	28(a)	(2,550)	(2,550)
Less: Statutory reserve fund	28(c)	(8,003)	(7,726)
Less: Gain or loss on reissuance of treasury shares	28(d)	1,627	1,706
Total capital		162,321	166,933
Gearing ratio		*	*

* Not applicable as the Group is in net cash position

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- I. The precision mechanical manufacturing segment (formerly known as precision components and tooling segment) specialises in stamping of metal components, as well as tooling design and fabrication, for a wide range of industries, including automotive, office automation, consumer electronics and the AI server industry. It also provides die making services to manufacturers of such products.
- II. The precision intelligent manufacturing segment (formerly known as precision machining segment) specialises in the machining of products mainly from the TV and office automation industries. In line with the growing demand for products made of aluminium alloy and other light metals, this segment has expanded into components for the AI server and racks industries, leveraging advanced technologies such as cold-forging, computer numerical control machining and surface finishing processes.
- III. The corporate and others segment is involved in group-level corporate services and treasury functions.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2025	Mansfield					Total \$'000
	Precision Mechanical Manufacturing \$'000	Precision Intelligent Manufacturing \$'000	Adjustments and Eliminations \$'000	Corporate and Others \$'000	Eliminations \$'000	
Revenue						
External customers	178,963	30,951	–	–	–	209,914
Inter-segment	99,892	474	(100,366)	–	–	–
Total Revenue	278,855	31,425	(100,366)	–	–	209,914
Results						
External interest income	164	328	–	646	–	1,138
Inter-segment interest income	–	–	–	601	(601)	–
Inter-segment interest expense	(601)	–	–	–	601	–
Depreciation and amortisation	(8,432)	(3,449)	–	(38)	–	(11,919)
Net fair value loss on investment properties	(183)	(202)	–	–	–	(385)
Dividend income from other investments	–	–	–	383	–	383
Net gain/(loss) on disposal of property, plant and equipment	17	(21)	–	–	–	(4)
Gain on termination of lease	–	142	–	–	–	142
Loss on disposal of a subsidiary	(270)	–	–	–	–	(270)
Net foreign exchange gain/(loss)	438	(428)	–	–	–	(258)
Rental income	632	2,022	–	(268)	–	2,654
Finance cost	(522)	(741)	–	(1)	–	(1,264)
Other non-cash (expense)/income ⁽¹⁾	(184)	–	–	2,958	–	2,774
Net allowance for inventory obsolescence	(673)	(14)	–	–	–	(687)
Write back of allowance for inventory obsolescence	393	2	–	–	–	395
Net impairment on capitalised contract cost	(25)	–	–	–	–	(25)
Inter-segment dividend income	–	–	–	–	(6,288)	–
Segment profit before tax	(695)	1,846	–	6,288	(6,288)	2,626
Income tax expense	172	(1,131)	–	(115)	–	(1,074)
Assets						
Investment in joint venture	–	–	–	–	–	–
Additions to non-current assets ⁽²⁾	7,313	3,433	–	2	–	10,748
Segment assets	170,076	66,462	–	108,549	(66,126)	278,961
Liabilities						
Segment liabilities	88,655	18,127	–	932	–	107,714

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. SEGMENT INFORMATION (CONTINUED)

	Mansfield					Corporate and Others \$'000	Eliminations \$'000	Total \$'000
	Precision Mechanical Manufacturing \$'000	Precision Intelligent Manufacturing \$'000	Adjustments and Eliminations \$'000	Total \$'000	Total \$'000			
Year ended 31 December 2024								
Revenue								
External customers	196,539	41,496	–	238,035	–	–	238,035	
Inter-segment	104,274	669	(104,943)	–	–	–	–	
Total Revenue	300,813	42,165	(104,943)	238,035	–	–	238,035	
Results								
External interest income	592	537	–	1,129	1,008	–	2,137	
Inter-segment interest income	–	–	–	–	587	(587)	–	
Inter-segment interest expense	(587)	–	–	(587)	–	587	–	
Depreciation and amortisation	(8,497)	(3,538)	–	(12,035)	(35)	–	(12,070)	
Net fair value gain on investment properties	188	38	–	226	–	–	226	
Dividend income from other investments	–	–	–	–	365	–	365	
Net gain/(loss) on disposal of property, plant and equipment	190	2	–	192	–	–	192	
Net foreign exchange gain/(loss)	644	208	–	852	224	–	1,076	
Impairment loss on property, plant and equipment	(505)	–	–	(505)	–	–	(505)	
Impairment loss on right-of-use assets	(644)	–	–	(644)	–	–	(644)	
Rental income	1,023	1,994	–	3,017	–	–	3,017	
Share of results of joint venture	(806)	–	–	(806)	–	–	(806)	
Finance cost	(1,173)	(890)	–	(2,063)	(1)	–	(2,064)	
Other non-cash (expense)/income ⁽¹⁾	(106)	–	–	(106)	1,580	–	1,474	
Net allowance for inventory obsolescence	(1,110)	(339)	–	(1,449)	–	–	(1,449)	
Write back of allowance for inventory obsolescence	134	–	–	134	–	–	134	
Net impairment on capitalised contract cost	(1,554)	–	–	(1,554)	–	–	(1,554)	
Inter-segment dividend income	–	–	–	–	6,362	(6,362)	–	
Segment profit before tax	2,484	3,014	–	5,498	8,186	(6,362)	7,322	
Income tax expense	(550)	(1,132)	–	(1,682)	(148)	–	(1,830)	
Assets								
Investment in joint venture	–	–	–	–	–	–	–	
Additions to non-current assets ⁽²⁾	7,943	3,256	–	11,199	14	–	11,213	
Segment assets	145,354	72,396	–	217,750	103,941	(58,901)	262,790	
Liabilities								
Segment liabilities	64,209	21,448	–	85,657	958	–	86,615	

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

35. SEGMENT INFORMATION (CONTINUED)

- ⁽¹⁾ Other non-cash income/expenses consist of net fair value gain/loss on other investments, net gain/loss on disposal of other investments, and share-based payments as presented in the respective notes to the financial statements.
- ⁽²⁾ Additions to non-current assets consist of additions to property, plant and equipment and intangible assets and deposit refunded/paid for purchase of property, plant and equipment.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Hong Kong/PRC	188,673	206,905	79,406	63,929
Thailand	11,944	13,630	9,402	6,073
Vietnam	9,297	17,500	4,557	11,470
Malaysia	–	–	2,232	–
Singapore	–	–	15	50
	209,914	238,035	95,612	81,522

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment properties, intangible assets, investment in joint venture and non-current other receivables as presented in the balance sheet.

Information about major customers

Revenue from three (2024: three) major customers amounted to \$87,174,000 (2024: \$102,161,000), arising from sales by the Precision Mechanical Manufacturing and Precision Intelligent Manufacturing segments.

NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

36. DIVIDENDS

	Group and Company	
	2025	2024
	\$'000	\$'000
Declared and paid during the financial year		
<i>Dividends on ordinary shares</i>		
Final exempt (one-tier) dividend for 2024: \$0.02 (2023: \$0.02) per share	4,604	4,626
Proposed but not recognised as a liability as at 31 December		
<i>Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting</i>		
Final exempt (one-tier) dividend for 2025: \$0.02 (2024: \$0.02) per share	4,666	4,604

37. SUBSEQUENT EVENTS

On 25 February 2026, the Group increased the share capital in its wholly-owned subsidiary, Mansfield Manufacturing (M) Sdn. Bhd., from RM5,000,000 to RM12,000,000.

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on 1 April 2026.

STATISTICS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	6	0.26	63	0.00
100 – 1,000	211	9.02	184,530	0.08
1,001 – 10,000	1,170	50.02	7,290,539	3.13
10,001 – 1,000,000	935	39.97	51,699,864	22.16
1,000,001 AND ABOVE	17	0.73	174,104,632	74.63
TOTAL	2,339	100.00	233,279,628	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	48,847,151	20.94
2	ADVANTEC HOLDING SA	22,571,000	9.68
3	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	21,561,000	9.24
4	LOU YILIANG	19,082,700	8.18
5	PHILLIP SECURITIES PTE LTD	15,040,078	6.45
6	DBS NOMINEES (PRIVATE) LIMITED	12,114,100	5.19
7	MAYBANK SECURITIES PTE. LTD.	7,845,100	3.36
8	HSBC (SINGAPORE) NOMINEES PTE LTD	6,617,393	2.84
9	RAFFLES NOMINEES (PTE.) LIMITED	4,789,500	2.05
10	COMCRAFT INTERNATIONAL S.A	4,421,000	1.90
11	OCBC SECURITIES PRIVATE LIMITED	2,959,710	1.27
12	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	1,928,700	0.83
13	LIM WAH TONG	1,761,900	0.76
14	UOB KAY HIAN PRIVATE LIMITED	1,359,600	0.58
15	IFAST FINANCIAL PTE. LTD.	1,138,800	0.49
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,058,900	0.45
17	CHAN WENG CHIH MATTHEW (CHEN RONGZHI MATTHEW)	1,008,000	0.43
18	ABN AMRO CLEARING BANK N.V.	941,900	0.40
19	LIM & TAN SECURITIES PTE LTD	860,000	0.37
20	LIEW CHOON FONG	829,600	0.36
	TOTAL	176,736,132	75.77

STATISTICS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

PERCENTAGE OF SHAREHOLDING IN THE HANDS OF PUBLIC (PUBLIC FLOAT)

Based on information available to the Company as at 31 March 2026, approximately 50.78% of the issued ordinary shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual requirement.

SUBSTANTIAL SHAREHOLDERS

The interests of the substantial shareholders in the Shares as recorded in the Register of Substantial Shareholders are set out below:

Substantial Shareholders	Direct interest		Deemed interest	
	No. of Shares	%	No. of Shares	%
Advantec Holding SA ⁽¹⁾	22,571,000	9.68	60,811,300	26.07
Trustee of Chandaria Trust I ⁽²⁾	–	–	83,832,300	35.94
Lou Yiliang ⁽³⁾	19,082,700	8.18	11,902,800	5.10

Notes:

- (1) Advantec Holding SA is deemed to have an interest in 60,811,300 shares held through the following:
 - Citibank Nominees Singapore Pte Ltd in respect of 40,811,300 shares
 - United Overseas Bank Nominees (Private) Limited in respect of 20,000,000 shares
- (2) Trustee of Chandaria Trust I is deemed to be interested in the 83,382,300 shares held by Advantec Holding SA, as well as a further 450,000 shares held by Metchem Engineering SA, both of which are wholly owned by the Chandaria Trust I.
- (3) Mr. Lou Yiliang is deemed to be interested in the 11,902,800 shares held through Philip Securities Pte Ltd.

SHARE PURCHASE MANDATE

APPENDIX DATED 14 APRIL 2026

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is circulated to shareholders (the “**Shareholders**”) of InnoTek Limited (the “**Company**”), together with the Company’s annual report for the financial year ended 31 December 2025 (the “**Annual Report 2025**”). Its purpose is to explain to the Shareholders the rationale for, and provide the Shareholders with relevant information relating to, the proposed renewal of the Share Purchase Mandate (as defined herein) to be tabled at the annual general meeting (“**2026 AGM**”) of the Company to be held at Marquis Room, Level 2, Copthorne King’s Hotel, 403 Havelock Rd, Singapore 169632 on 29 April 2026 at 9.30 a.m..

The ordinary resolution proposed to be passed in respect of the above matter is set out in the notice of the AGM convening the 2026 AGM (“**Notice of AGM**”). The Notice of the AGM and a proxy form are enclosed with the Annual Report 2025.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements made, opinions expressed or reports contained in this Appendix.

If you have sold or transferred all your ordinary shares in the issued and paid-up share capital of the Company, you should forward this Appendix and the Annual Report 2025 (including the Notice of AGM of the Company and the accompanying proxy form) immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale was effected for onward transmission to the purchaser or transferee.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

INNOTEK

INNOTEK LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 199508431Z)

**APPENDIX TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL
OF THE SHARE PURCHASE MANDATE (“THE SHARE PURCHASE MANDATE”)**

SHARE PURCHASE MANDATE

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SHARE PURCHASE MANDATE

DEFINITIONS

For the purpose of this Appendix, the following definitions have, where appropriate, been used:

“2024 Mandate”	: Has the meaning ascribed to it in Section 1
“2025 Mandate”	: Has the meaning ascribed to it in Section 1
“2026 AGM”	: The AGM of the Company to be held on 29 April 2026 at 9.30 a.m. at Marquis Room, Level 2, Copthorne King’s Hotel, notice of which is enclosed with the Annual Report 2025
“AGM”	: Annual general meeting of the Company
“Annual Report 2025”	: The annual report of the Company for the financial year ended 31 December 2025
“Appendix”	: This appendix to the Annual Report 2025 setting out the letter to Shareholders relating to the renewal of the Share Purchase Mandate
“Approval Date”	: The date on which the resolution authorising the proposed renewal of the Share Purchase Mandate is passed
“CDP”	: The Central Depository (Pte) Limited
“Company”	: InnoTek Limited
“Companies Act”	: The Companies Act 1967, as amended, modified or supplemented from time to time
“Directors”	: The directors of the Company as at the date of this Appendix
“EPS”	: Earnings per Share
“FY2025”	: The financial year ended 31 December 2025
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 31 March 2026, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	: The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“NTA”	: Net tangible asset
“public”	: Persons other than the Directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, and their respective associates (as defined in the Listing Manual)
“Registrar”	: The Registrar of Companies
“Relevant Period”	: The period commencing from the date on which the ordinary resolution in relation to the renewal of the Share Purchase Mandate is passed at the 2025 AGM, and expiring on the date the next AGM is or is required by law to be held, whichever is the earlier

SHARE PURCHASE MANDATE

“ Securities Account ”	: Securities account maintained by a Depositor with CDP but not including securities sub-accounts maintained with a Depository Agent
“ Securities and Futures Act ”	: The Securities and Futures Act 2001, as amended, modified or supplemented from time to time
“ SGX-ST ”	: Singapore Exchange Securities Trading Limited
“ Shareholders ”	: Persons who are registered as holders of the Shares in the register of members of the Company, or where CDP is the registered holder of the Shares, the term “ Shareholders ” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
“ Shares ”	: Ordinary shares in the capital of the Company
“ Share Purchase Mandate ”	: The general mandate to enable the Company to purchase Shares in accordance with the Constitution of the Company, the Companies Act and the Listing Manual, the terms of which are set out in this Appendix
“ subsidiaries ”	: The subsidiaries of a company (as defined in Section 5 of the Companies Act) and “ subsidiary ” shall be construed accordingly
“ substantial shareholder ”	: A person who has an interest in not less than 5% of the total votes attached to all the voting shares of the Company
“ Take-over Code ”	: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
<i>Currencies and others</i>	
“ S\$ ”, “ \$ ” and “ cents ”	: Singapore dollars and cents respectively
“ % ” or “ per cent ”	: Per centum or percentage

The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act. The term “**treasury share**” shall have the meaning ascribed to it in Section 4 of the Companies Act. The term “**subsidiary holdings**” shall have the meaning ascribed to it in the Listing Manual.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to a time and date in this Appendix is a reference to Singapore time and date, unless otherwise stated.

Any discrepancies in this Appendix between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precede them.

SHARE PURCHASE MANDATE

INNOTEK

LETTER TO SHAREHOLDERS

Directors:

Mr. Neal M. Chandaria (Chairman and Non-Executive Director)
Mr. Lou Yiliang (Executive Director and Chief Executive Officer)
Mr. Ng Hin Lee (Lead Independent Director)
Dr. Xu Jinsong (Independent Director)
Mr. Hideaki Miyazawa (Independent Director)

Registered Office:

2 Venture Drive
#08-25 Vision Exchange
Singapore 608526

14 April 2026

To: The Shareholders of
InnoTek Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. BACKGROUND

- 1.1 The purpose of this Appendix is to explain the rationale for, and provide Shareholders with relevant information relating to, the proposed renewal of the Share Purchase Mandate to be tabled at the 2026 AGM.
- 1.2 At the AGM of the Company held on 28 April 2022, the Company had approved, *inter alia*, the Share Purchase Mandate to enable the Company to purchase or otherwise acquire Shares. The Share Purchase Mandate was subsequently renewed at the AGM of the Company held on 28 April 2023, the AGM of the Company held on 26 April 2024 (the “**2024 Mandate**”) and the AGM of the Company held on 29 April 2025 (the “**2025 Mandate**”). The validity period of the 2025 Mandate will expire at the forthcoming 2026 AGM. Accordingly, the Company is seeking approval from its Shareholders for the proposed renewal of the Share Purchase Mandate at the 2026 AGM.
- 1.3 The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) takes no responsibility for the accuracy of the statements made, or opinions expressed or reports contained in this Appendix.

2. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 The Share Purchase Mandate

- 2.1.1 Any purchase or acquisition of its Shares by the Company has to be made in accordance with, and in the manner prescribed by the Companies Act 1967 as amended, modified or supplemented from time to time (the “**Companies Act**”), the listing manual of the SGX-ST as amended, modified or supplemented from time to time (the “**Listing Manual**”), the Constitution and such other laws and regulations as may for the time being be applicable.
- 2.1.2 It is a requirement under the Listing Manual and the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. As the 2025 Mandate will expire at the forthcoming 2026 AGM, approval is being sought from Shareholders at the AGM for the renewal of the Share Purchase Mandate.

SHARE PURCHASE MANDATE

2.2 Rationale for the Share Purchase Mandate

- 2.2.1 The purchase by a company of its issued shares is one of the ways in which the return on equity of the company may be improved, thereby increasing shareholder value. By renewing the Share Purchase Mandate, the Company will have the flexibility to undertake purchases of Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.
- 2.2.2 The Share Purchase Mandate will also facilitate the return to the Shareholders by the Company of surplus cash (if any) which is in excess of the Group's financial needs in an expedient and cost-effective manner.
- 2.2.3 The Directors further believe that Share purchases by the Company may help to mitigate short-term market volatility in the price of the Shares, off-set the effects of short-term speculation and bolster Shareholders' confidence.
- 2.2.4 Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised.

2.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, if approved at the 2026 AGM, are summarised below:

2.3.1 *Maximum Number of Shares*

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed 10% of the number of its issued Shares as at the date of the 2026 AGM on which the resolution authorising the proposed renewal of the Share Purchase Mandate is passed.

Any shares which are held as treasury shares as well as subsidiary holdings will be disregarded for purposes of computing the 10% limit. As at the Latest Practicable Date, the Company held 13,376,800 treasury shares.

Purely for illustrative purposes, on the basis of 233,279,628 Shares in issue (excluding treasury shares) as at the Latest Practicable Date and assuming that no further Shares are issued on or before the Approval Date, not more than 23,327,962 Shares, representing 10% of 233,279,628 Shares (being 246,656,428 total Shares in issue less 13,376,800 treasury shares) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

2.3.2 *Duration of Authority*

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the forthcoming AGM at which the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next AGM is or is required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares have been carried out to the full extent permitted under the Share Purchase Mandate; or
- (c) the time when the authority conferred by the Share Purchase Mandate is revoked or varied by an ordinary resolution of Shareholders in a general meeting.

SHARE PURCHASE MANDATE

2.3.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Shares may be effected by the Company by way of:

- (a) on-market purchases (“**Market Purchases**”); and
- (b) off-market purchases, otherwise than on a securities exchange, in accordance with an “equal access scheme” as defined in section 76C of the Companies Act (“**Off-Market Purchases**”).

Market Purchases refer to purchases or acquisitions of Shares by the Company effected on the SGX-ST, through one or more duly licensed dealers appointed by the Company for the purpose.

In an Off-Market Purchase, the directors of the Company may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Under the Listing Manual, if the Company wishes to make an Off-Market Purchase, it will issue an offer document containing, *inter alia*, the following information to all Shareholders:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share Purchase;
- (d) the consequences, if any, of Share Purchases by the Company that will arise under the Take-Over Code or other applicable take-over rules;
- (e) whether the Share Purchase, if made, would have any effect on the listing of the Shares on the SGX-ST;

SHARE PURCHASE MANDATE

- (f) details of any Share Purchase made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury Shares.

2.3.4 **Maximum Purchase Price**

The purchase price (excluding ancillary expenses such as brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors of the Company. However, the purchase price to be paid for the Shares must not exceed the maximum price ("**Maximum Price**") as set out below:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 115% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days on which transactions in the Shares were recorded on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual for any corporate action that occurs after the relevant five-day period; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of Purchased Shares or Acquired Shares**

2.4.1 Under the Companies Act, a Share which is purchased or acquired by the Company may be:

- (a) held by the Company as a treasury share; or
- (b) dealt with by the Company in the following manner:
 - (i) sold for cash;
 - (ii) transferred for the purposes of or pursuant to an employees' share scheme;
 - (iii) transferred as consideration for the acquisition of shares in or assets of another company or assets of a person;

SHARE PURCHASE MANDATE

- (iv) cancelled; or
- (v) sold, transferred or otherwise used for such other purposes as the Minister may by order prescribe.

2.4.2 The maximum number of treasury shares which may be held by the Company is as follows:

- (a) the Company if having only one class of shares shall not hold treasury shares exceeding 10% of the total number of such shares; or
- (b) the Company if having more than one class of shares shall not hold treasury shares of that class exceeding 10% of the total number of issued shares in that class at any time;

and in the event that the Company holds in its treasury more than 10% of the total number of issued shares in any class of its shares, it shall cancel the excess within six months or such further period as the Registrar may allow.

2.4.3 The Company shall not exercise any right in respect of the treasury shares, including:

- (a) the right to attend or vote at meetings; and
- (b) the right to receive dividend or any other distribution (in cash or otherwise) of its assets (including any distribution of assets to members on a winding up).

2.4.4 The Company may receive allotments of fully paid bonus shares in respect of its treasury shares and its treasury shares may be sub-divided or consolidated so long as the total value of the treasury shares after the subdivision or consolidation is the same as before the subdivision or consolidation.

2.5 Source of Funds

2.5.1 The Companies Act provides that any purchase or acquisition of Shares by the Company may be made out of its capital or profits, so long as it is solvent (i.e. the Company is able to pay its debts in full at the time which the share buy-back is being conducted and the value of its assets exceed its liabilities, including any contingent liability and will not after the proposed share buy-back become less than the value of its liabilities, including any contingent liability). The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that the financial position of the Group would be materially adversely affected.

2.5.2 The Company intends to use internal sources of funds or external borrowings to finance purchases or acquisitions of its Shares. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

SHARE PURCHASE MANDATE

2.6 Financial Effects

- 2.6.1 Where the Company chooses to cancel any of the Shares it repurchases, it shall:
- (a) reduce the amount of its share capital where the Shares are purchased or acquired out of its capital;
 - (b) reduce the amount of its profits where the Shares are purchased or acquired out of its profits; or
 - (c) reduce the amount of its share capital and profits proportionately where the Shares are purchased or acquired out of both its capital and the profits,
- by the total amount of the purchase price paid by it for the Shares cancelled.
- 2.6.2 The consideration if paid by the Company out of its profits for the purchase or acquisition of Shares (including related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.
- 2.6.3 The financial effects on the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Group to fund the purchases or acquisitions.
- 2.6.4 Based on 233,279,628 shares in issue (excluding treasury shares) as at the Latest Practicable Date, and assuming no further shares are issued on or prior to the 2026 AGM, the exercise in full of the Share Purchase Mandate, on the Latest Practicable Date, would result in the purchase or acquisition of 23,327,962 Shares, representing 10% of 233,279,628 Shares (being 246,656,428 total Shares in issue less 13,376,800 treasury shares). As the Company holds 13,376,800 Shares as treasury shares, the Company may only retain a further 9,951,162 Shares as treasury shares.
- 2.6.5 Assuming the Company purchases or acquires the 9,951,162 Shares at the Maximum Price, the maximum amount of funds required (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is:
- (a) in the case of Market Purchases of Shares, approximately S\$0.71 based on S\$0.68 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date); and
 - (b) in the case of Off-Market Purchases of Shares, approximately S\$0.78 based on S\$0.68 for one Share (being the price equivalent to 15% above the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date).

SHARE PURCHASE MANDATE

2.6.6 For illustrative purposes only, on the basis of the assumptions set out above, and based on the audited financial statements of the Group for the reporting year ended 31 December 2025, and assuming that:

- (a) the Share Purchase Mandate had been effected on the Latest Practicable Date; and
- (b) the purchases or acquisitions of Shares are financed solely by internal resources,

the financial effects of the purchase or acquisition of such Shares by the Company on the audited financial statements of the Group for the reporting year ended 31 December 2025 would have been as follows:

Market Purchases:

	The Group		The Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2025				
Shareholders' Funds (S\$'000)	171,247	164,182	107,617	100,552
NTA (S\$'000) ⁽¹⁾	169,816	162,751	107,617	100,552
Current Assets (S\$'000)	182,277	175,212	45,033	37,968
Current Liabilities (S\$'000)	85,093	85,093	630	630
Total Liabilities (S\$'000)	107,714	107,714	932	932
Cash and Cash Equivalents (S\$'000)	44,604	37,539	15,139	8,074
Number of Shares ('000)	233,279	223,327	233,279	223,327
Financial Ratios				
NTA per Share (cents)	72.80	72.88	46.13	45.02
Earnings Per Share ("EPS") (cents) ⁽²⁾	0.87	0.89	3.30	3.44
Gearing (%) ⁽³⁾	20.53%	21.42%	0.01%	0.01%
Current Ratio (times) ⁽⁴⁾	2.14	2.06	71.48	60.27

Notes:

- (1) NTA equals total equity less intangible assets and minority interests.
- (2) EPS is computed based on FY2025 net profit attributable to ordinary shareholders of the Company divided by the number of shares.
- (3) Gearing equals total borrowings divided by shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

SHARE PURCHASE MANDATE

Off-Market Purchases:

	The Group		The Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2025				
Shareholders' Funds (S\$'000)	171,247	163,485	107,617	99,855
NTA (S\$'000) ⁽¹⁾	169,816	162,054	107,617	99,855
Current Assets (S\$'000)	182,277	174,515	45,033	37,271
Current Liabilities (S\$'000)	85,093	85,093	630	630
Total Liabilities (S\$'000)	107,714	107,714	932	932
Cash and Cash Equivalents (S\$'000)	44,604	36,842	15,139	7,377
Number of Shares ('000)	233,279	223,327	233,279	223,327
Financial Ratios				
NTA per Share (cents)	72.80	72.56	46.13	44.71
EPS (cents) ⁽²⁾	0.87	0.89	3.30	3.44
Gearing (%) ⁽³⁾	20.53%	21.51%	0.01%	0.01%
Current Ratio (times) ⁽⁴⁾	2.14	2.05	71.48	59.16

Notes:

- (1) NTA equals total equity less intangible assets and minority interests.
- (2) EPS is computed based on FY2025 net profit attributable to ordinary shareholders of the Company divided by the number of shares.
- (3) Gearing equals total borrowings divided by shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE PURELY FOR ILLUSTRATIVE PURPOSES ONLY. ALTHOUGH THE SHARE PURCHASE MANDATE WOULD AUTHORISE THE COMPANY TO PURCHASE OR ACQUIRE UP TO 10% OF THE ISSUED SHARES, THE COMPANY MAY NOT NECESSARILY PURCHASE OR ACQUIRE OR BE ABLE TO PURCHASE OR ACQUIRE THE ENTIRE 10% OF THE ISSUED SHARES. IN PARTICULAR, THE MAXIMUM NUMBER OF SHARES THAT THE COMPANY MAY PURCHASE UNDER THE SHARE PURCHASE MANDATE IS LIMITED TO THE EXTENT THAT THE COMPANY WILL REMAIN SOLVENT. THE DIRECTORS DO NOT INTEND TO EXERCISE THE SHARE PURCHASE MANDATE UP TO THE MAXIMUM LIMIT IF SUCH EXERCISE WOULD MATERIALLY AND ADVERSELY AFFECT THE FINANCIAL POSITION OF THE GROUP.

- 2.7 For illustrative purposes, it has been assumed that the purchases or acquisitions of Shares are financed solely by internal resources and in the event that there is a shortfall, the purchases and acquisitions are to be financed by long-term borrowings. Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would also be an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company, with the actual impact dependent on, *inter alia*, the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.
- 2.8 Shareholders should note that the financial effects set out above are for illustration purposes only (based on the aforementioned assumptions). The actual impact will depend on, *inter alia*, the number and price of the Shares purchased or acquired (if any). In particular, Shareholders should note that the above analysis is based on the audited financial statements of the Group for the reporting year ended 31 December 2025 and is not necessarily representative of future financial performance.

SHARE PURCHASE MANDATE

2.9 The Company may take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution.

2.10 Share Buybacks in the Previous 12 Months

2.10.1 In the 12-month period immediately preceding the Latest Practicable Date, the Company purchased an aggregate of 1,125,800 Shares by way of Market Purchases pursuant to the 2024 Mandate and an aggregate of 400,000 Shares by way of Market Purchases pursuant to the 2025 Mandate. The highest and lowest price paid was S\$0.38 and S\$0.36 per Share respectively. The total consideration (including stamp duties, clearing charges etc.) paid for the aforementioned Share purchases was S\$563,346.57. All Shares purchased or acquired by the Company during the abovementioned period were held as treasury shares.

2.10.2 Details of the aforementioned purchases of Shares undertaken by the Company during the aforementioned period are set out below:–

Date of Purchase	Number of Shares Purchased	Highest Price Paid per Share (S\$)	Lowest Price Paid per Share (S\$)	Total Consideration Paid ⁽¹⁾ (S\$)
21 April 2025	671,500	0.36649	0.36649	246,366.67
28 April 2025	454,300	0.38	0.38	172,822.56
19 May 2025	400,000	0.36	0.36	144,157.34

Note:

(1) Included related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses.

3. TAXATION

Shareholders who are in any doubt as to their respective tax positions or the tax implications of Share Purchases by the Company, or who may be subject to tax whether inside or outside of Singapore, should consult their own professional advisers.

3.1 Requirements in the Listing Manual

3.1.1 The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the market day following the day on which the Market Purchase was effected, and (ii) in the case of an Off-Market Purchase, on the second market day after the close of acceptances of the offer. The notification of such purchases or acquisitions to the SGX-ST shall be in such form, and shall include such details, as may be prescribed by the SGX-ST in the Listing Manual.

SHARE PURCHASE MANDATE

- 3.1.2 The Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time(s). However, as the Company would be regarded as an insider in relation to any proposed purchase or acquisition of its shares, it will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate in the following circumstances:
- (a) at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board until the price-sensitive information has been publicly announced; and
 - (b) in the case of Market Purchases, during the period commencing one month immediately before the announcement of the Company's full-year results and the period of two weeks before the announcement of the half-year results.
- 3.1.3 The Listing Manual requires a company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is held by public shareholders. The "public", as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates of such persons.
- 3.1.4 As at the Latest Practicable Date, there are approximately 118,461,828 Shares in the hands of the public, representing approximately 50.78% of the issued Shares of the Company (excluding treasury shares). Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares held by public shareholders which would permit it to undertake purchases and acquisitions of its Shares up to 10% of its issued Shares pursuant to the Share Purchase Mandate, without adversely affecting the listing status of its Shares on the SGX-ST. The Directors will use their best efforts to ensure that the Company does not effect a Share Purchase if the Share Purchase will result in the number of Shares remaining in the hands of the public to fall to such a level as to cause market illiquidity and/or adversely affect the listing status of the Company on the SGX-ST.

3.2 Certain Take-over Code Implications

3.2.1 *Obligation to Make a Take-over Offer*

Any resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following any purchase or acquisition of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**"). Consequently, depending on the number of Shares purchased or acquired by the Company and the number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make a take-over offer under Rule 14.

3.2.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

SHARE PURCHASE MANDATE

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other.

3.2.3 **Effect of Rule 14 and Appendix 2**

- (a) The circumstances under which Shareholders (including directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code. In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such directors and their concert parties would increase to 30% or more, or, if the voting rights of such directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such directors and their concert parties would increase by more than 1% in any period of six months.
- (b) Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.
- (c) As at the Latest Practicable Date, approximately 50.78% of the issued shares of the Company are in the hands of the public. Mr. Lou Yiliang, who is a director as well as a substantial shareholder of the Company has an aggregate interest (both direct and indirect) of approximately 13.28% in the Company. Advantec Holding SA is a substantial shareholder of the Company with an aggregate interest (both direct and indirect) of approximately 35.75% and Trustee of Chandaria Trust I is deemed to be interested in the shares held by Advantec Holding SA with an aggregate interest of 35.94%. Save for the aforesaid, the Company has no other substantial shareholders.
- (d) Purely for illustrative purposes, on the basis of 233,279,628 issued Shares as at the Latest Practicable Date (excluding treasury shares), and assuming that no further Shares are issued on or prior to the AGM, not more than 23,327,962 Shares, representing 10% of 233,279,628 Shares (being 246,656,428 total Shares in issue less 13,376,800 treasury shares) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate, if so approved by Shareholders at the AGM.

SHARE PURCHASE MANDATE

Further assuming that:

- (i) the Share Purchase Mandate is validly and fully exercised prior to the next annual general meeting of the Company, provided that the number of Shares purchased by the Company under the Share Purchase Mandate do not exceed the maximum limit the Company is permitted under the Companies Act to retain as treasury shares (being 10% of the total number of issued shares);
- (ii) there is no change to the number of issued Shares at the time of such exercise;
- (iii) the re-purchased Shares are not acquired from the substantial shareholders;
- (iv) there is no change in the holding of Shares of the substantial shareholders between the Latest Practicable Date and the date of the AGM; and
- (v) the substantial shareholders do not sell or otherwise dispose of their holding of Shares,

the shareholdings of the substantial shareholders would be changed as follows:

	Before Share Purchase ⁽¹⁾		After Share Purchase ⁽¹⁾	
	Number of Shares	%	Number of Shares	%
Director				
Lou Yiliang	30,985,500	13.28	30,985,500	13.87
Substantial Shareholders				
Advantec Holding SA	83,382,300	35.75	83,382,300	37.34
Trustee of Chandaria Trust I	83,832,300	35.94	83,832,300	37.54

(1) Please refer to paragraph 4 of this Appendix for additional details on the substantial shareholders' shareholdings in the Company.

As illustrated above, Advantec Holding SA and Trustee of Chandaria Trust I may incur an obligation to make a general offer to other Shareholders under the Take-over Code due to the Share Purchase Mandate. However, the Securities Industry Council had on 22 November 2007 confirmed that neither Advantec Holding SA nor the Trustee of Chandaria Trust I will incur such a general offer obligation arising from the exercise by the Company of the Share Purchase Mandate.

Save as disclosed above, the Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interest in voting Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.

3.2.4 **Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of Share Purchases by the Company are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity.**

SHARE PURCHASE MANDATE

3.2.5 Advice to Shareholders

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers, the Securities Industry Council or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The direct and indirect interests of the Directors and the substantial shareholders in the Shares as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Director				
Lou Yiliang ⁽²⁾	19,082,700	8.18	11,902,800	5.10
Neal M. Chandaria	–	–	–	–
Dr. Xu Jinsong	–	–	–	–
Ng Hin Lee	–	–	–	–
Hideaki Miyazawa	–	–	–	–
Substantial Shareholders (Other than Directors)				
Advantec Holding SA ⁽³⁾	22,571,000	9.68	60,811,300	26.07
Trustee of Chandaria Trust I ⁽⁴⁾	–	–	83,832,300	35.94

Notes:

- (1) Percentages are based on the issued capital of the Company of 233,279,628 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Mr. Lou Yiliang is deemed to be interested in the 11,902,800 shares held through Phillip Securities Pte Ltd.
- (3) Advantec Holding SA is deemed to be interested in the 60,811,300 Shares held through the following:
 - (a) Citibank Nominees Singapore Pte Ltd in respect of 40,811,300 shares; and
 - (b) United Overseas Bank Nominees (Private) Limited in respect of 20,000,000 shares.
- (4) Trustee of Chandaria Trust I is deemed to be interested in the 83,382,300 Shares held by Advantec Holding SA as well as a further 450,000 Shares held by Metchem Engineering SA, both of which are wholly-owned by the Chandaria Trust I.

As at the Latest Practicable Date, save as disclosed in this Appendix, none of the Directors have any interest, direct or indirect, in the Proposal (other than by reason only of being a Director).

As at the Latest Practicable Date, the Company has not received any notification from any of the Company's substantial shareholders that it has any interest, direct or indirect, in the Proposal (other than by reason of their shareholding interest in the Company).

SHARE PURCHASE MANDATE

5. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the resolutions pertaining to the proposed renewal of the Share Purchase Mandate to be proposed at the AGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's registered office at 2 Venture Drive, #08-25 Vision Exchange, Singapore 608526 during normal business hours from the date hereof up to and including the date of the AGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for the financial year ended 31 December 2025.

Yours faithfully
For and on behalf of the Board of Directors of
INNOTEK LIMITED

Neal M. Chandaria
Chairman

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 30th Annual General Meeting of **INNOTEK LIMITED** (the “**Company**”) will be held at Marquis Room, Level 2, Copthorne King’s Hotel, 403 Havelock Rd, Singapore 169632 on Wednesday, 29 April 2026 at 9.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the year ended 31 December 2025 together with the Auditors’ Report thereon.
(Resolution 1)
2. To declare a one-tier tax-exempt First and Final Dividend of 2.0 Singapore cents per share for the year ended 31 December 2025 (2024: 2.0 Singapore cents per share).
(Resolution 2)
3. To re-elect Mr. Lou Yiliang (Chief Executive Officer, Executive and Non-Independent Director), who will retire in accordance with Article 103 of the Company’s Constitution and who, being eligible, offers himself for re-election as a Director of the Company.
(Resolution 3)
4. To re-elect Dr. Xu Jinsong (Non-Executive and Independent Director), who will retire in accordance with Article 103 of the Company’s Constitution and who, being eligible, offers himself for re-election as a Director of the Company.
(Resolution 4)
5. To re-elect Mr. Hideaki Miyazawa (Non-Executive and Independent Director), who will retire in accordance with Article 107 of the Company’s Constitution and who, being eligible, offers himself for re-election as a Director of the Company.
(Resolution 5)
6. To approve the payment of Directors’ fees of up to \$320,000 for the financial year ending 31 December 2026, to be paid quarterly in arrears. (2025: \$350,000).
[See Explanatory Note (i) below] **(Resolution 6)**
7. To re-appoint Ernst & Young LLP as the Company’s Auditor for the ensuing year and to authorise the Directors to fix their remuneration.
(Resolution 7)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions, with or without modifications:

8. That pursuant to Section 161 of the Companies Act 1967 (“**Companies Act**”) and the listing rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Manual**”), the directors of the Company (“**Directors**”) be authorised and empowered to:
 - (a) (i) allot and issue shares in the capital of the Company (“**shares**”) whether by way of rights or bonus; and/or
 - (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force;

Provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) of which the aggregate number of shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued ordinary shares (excluding treasury shares) shall be based on the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) (unless revoked or varied by the Company in a general meeting) the authority conferred by this Resolution shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (ii) below]

(Resolution 8)

9. That approval be and is hereby given to the Directors to allot and issue such number of ordinary shares in the capital of the Company as may be issued pursuant to the exercise of the options under the InnoTek Employees' Share Option Scheme 2021 ("**Share Plan**") in accordance with the provisions of the Share Plan, provided always that the aggregate number of shares to be issued pursuant to the Share Plan shall not exceed 15% of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company from time to time.

[See Explanatory Note (iii) below]

(Resolution 9)

NOTICE OF ANNUAL GENERAL MEETING

10. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

That:

- (a) for the purposes of Section 76C and 76E of the Companies Act 1967 (the “**Companies Act**”) and such other laws and regulations as may for the time being be applicable, the exercise by the Directors of the Company (“**Directors**”) of all the powers of the Company to purchase or otherwise acquire issued shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) on-market purchases transacted on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**On-Market Purchase**”); and/or
 - (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme as may be determined or formulated by the Directors as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act and the SGX-ST Listing Manual (“**Off-Market Purchase**”),
- (the “**Share Purchase Mandate**”);
- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors, either be cancelled or held as treasury shares and dealt with in accordance with the Companies Act;
- (c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company (“**AGM**”) is held or required by law to be held, whichever is earlier;
 - (ii) the date on which the share purchases are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied;
- (d) in this Resolution:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days (“**Market Day**” being a day on which the SGX-ST is open for trading in securities) on which transactions in the Shares were recorded, before the day on which the purchases are made, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and is deemed to be adjusted in accordance with the Listing Manual for any corporate action that occurs after the relevant five (5)-day period;

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase;

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“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 115% of the Average Closing Price of the Shares,

“**Prescribed Limit**” means 10% of the total number of Shares as at the date of the last AGM of the Company held before this Resolution is passed or as at the date of passing of this Resolution, whichever is the higher (excluding any treasury shares that may be held by the Company from time to time), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the relevant period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered; and

- (e) the Directors and each of them be and is hereby authorised to do any and all such acts (including to execute all such documents as may be required, approve any amendments, alterations or modifications to any documents, and sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may, in their absolute discretion deem necessary, desirable or expedient to give effect to this Ordinary Resolution and the Share Purchase Mandate.

[See Explanatory Note (iv) below]

(Resolution 10)

- 11. To transact any other business which may arise and can be transacted at an Annual General Meeting.

NOTICE OF RECORD DATE

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders of InnoTek Limited (the “**Company**”) to the dividend being obtained at the Annual General Meeting to be held on 29 April 2026 (the “**AGM**”), the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 8 May 2026 for the purpose of determining shareholders’ entitlements to a first and final dividend of S\$0.02 per ordinary share (one-tier tax exempt) (the “**First and Final Dividend**”).

Duly completed and stamped registrable transfers in respect of ordinary shares not registered in the name of The Central Depository (Pte) Ltd (“**CDP**”), together with all relevant documents of title thereto, received by the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 up to 5.00 p.m. on 8 May 2026 will be registered to determine shareholders’ entitlements to the First and Final Dividend.

Members whose securities accounts with CDP are credited with ordinary shares as at 5.00 p.m. on 8 May 2026 will be entitled to the First and Final Dividend. In respect of shares in securities accounts with CDP, the First and Final Dividend will be paid by the Company to CDP which will, in turn, distribute the First and Final Dividend to such holders in accordance with its normal practice.

Payment of the First and Final Dividend, if approved at the forthcoming AGM, will be made on 22 May 2026.

By Order of the Board

Ong Beng Hong
Company Secretary

Singapore, 14 April 2026

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors to facilitate the payment of Directors' fees during the year ending 31 December 2026, quarterly in arrears.
- (ii) Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors from the date of the above Annual General Meeting until the date of the next Annual General Meeting, to issue, or agree to issue shares and/or grant Instruments that might require shares to be issued on a pro rata basis to shareholders of the Company, up to an aggregate limit of 50% of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company (calculated as described).
- (iii) Ordinary Resolution 9 proposed in item 9 above, if passed, will empower the Directors, from the date of the above Annual General Meeting until the next Annual General Meeting, to allot and issue shares as may be issued pursuant to the exercise of options under the Share Plan up to an aggregate limit of 15% of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company from time to time ("**15% Limit**"). The 15% Limit is calculated by including the shares that have already been allotted and issued pursuant to the exercise of options under the Share Plan.
- (iv) Ordinary Resolution 10 proposed in item 10 above, if passed will empower the Directors of the Company, from the date of this Annual General Meeting until the date the next Annual General Meeting is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10 percent of the total number of issued Shares excluding any Shares which are held as treasury shares by the Company, at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are set out in greater detail in the Letter to Shareholders enclosed together with the Annual Report.

Notes:

1. The Members of the Company are invited to attend physically at the AGM. **There will be no option for shareholders to participate virtually.**
2. Documents relating to the business of the AGM, which comprises the Company's 2025 Annual Report, Notice of AGM, Letter to Shareholders relating to the Share Purchase Mandate and Proxy Form are available on the SGX website at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://innotek.listedcompany.com/newsroom.html>. Printed copies of the Annual Report will not be despatched to Members. For Members' convenience, printed copies of this Notice of AGM, the Proxy Form and the Request Form (as defined herein) for Members to request for a printed copy of the Annual Report (the "**Request Form**") have been despatched to the Members. Members who wish to request for a printed copy of the Annual Report may do so by submitting your request to the Company by completing and returning the Request Form to the Company by Tuesday, 21 April 2026.
3. Members (including CPF and SRS investors) may participate in the AGM by:
 - a. attending the AGM in person;
 - b. submitting questions to the Chairman of the AGM in advance of, or at, the AGM; and/or
 - c. voting at the AGM:
 - i. themselves personally; or
 - ii. through their duly appointed proxy/ies.
4. CPF or SRS investors who wish to appoint the Chairman of the AGM (and not third party proxy/ies) as proxy are to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
5. A Member of the Company (other than a Relevant Intermediary) entitled to attend, speak and vote at the AGM is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead.
6. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number and class of shares shall be specified).

In this Notice of AGM, a "**relevant intermediary**" means:

- a. A banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Shares in that capacity;

NOTICE OF ANNUAL GENERAL MEETING

- b. A person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Shares in that capacity; or
 - c. The Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953, in respect of Shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
7. A proxy need not be a Member of the Company.
 8. A member who wishes to exercise their votes can either vote on the resolutions to be tabled for approval at the AGM in person or submit a Proxy Form to appoint proxy/ies or the Chairman of the Meeting to cast votes on their behalf.
 9. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investor**”) (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF Investors and SRS Investors (collectively “**CPF and SRS Investors**”) who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (as may be applicable) to appoint the Chairman of the Meeting to act as their proxy, in which case, the relevant CPF and SRS Investors shall be precluded from attending the AGM. CPF and SRS Investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operations by **5.00 p.m., Thursday, 16 April 2026** to submit their votes.
 10. The instrument appointing a proxy(ies) must, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must:
 - a. if submitted electronically, be submitted via email to the Company’s Share Registrar at srs.proxy@boardroomlimited.com;
 - b. if submitted by post, be lodged at the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07 Singapore 098632,

in either case, by 9.30 a.m. on Sunday, 26 April 2026, being 72 hours before the time appointed for holding the AGM.

A member who wishes to submit an instrument of proxy must first complete and sign the proxy form before scanning and sending it by email to the email address provided above or submitting it by post to the address provided above.

Submission of Questions in Advance:

1. Members (including CPF or SRS investors) may submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted and received by the Company by 9.30 a.m. on 22 April 2026:
 - a. in hard copy be lodged at the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07 Singapore 098632; or
 - b. by email to the Company’s Share Registrar at srs.teamE@boardroomlimited.com.

Members are strongly encouraged to submit completed questions electronically.

2. Members (including CPF or SRS investors) will need to identify themselves when posing questions by email or by mail providing the following details:
 - a. the member’s full name as it appears on his/her/its CDP/CPF/SRS/Scrp-based share records;
 - b. the member’s NRIC/Passport/UEN number;
 - c. the member’s contact number and email address; and
 - d. the manner in which the member holds his/her/its Shares in the Company (e.g. via CDP, Scrp-based, CPF or SRS).

The Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

NOTICE OF ANNUAL GENERAL MEETING

3. The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from members either before or during the AGM. The responses to questions from Members will be posted on the SGXNET and the Company's website at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNET and the Company's website within one (1) month after the date of the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Personal Data Privacy:

By (a) submitting an instrument appointing a proxy and/or representative to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, or (b) submitting any question prior to the AGM in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing a proxy and/or representative for the AGM (including any adjournment thereof);
- (ii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iii) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Lou Yiliang, Dr. Xu Jinsong and Mr. Hideaki Miyazawa are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 29 April 2026 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is set out below.

	Mr. Lou Yiliang	Dr. Xu Jinsong	Mr. Hideaki Miyazawa
Date of Appointment	2 November 2015	15 July 2021	12 August 2025
Date of last re-appointment	26 April 2024	28 April 2023	Not Applicable
Age	76	58	65
Country of principal residence	People’s Republic of China	People’s Republic of China	Japan
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee (“NC”) and has reviewed and considered the qualification, work experience and suitability of Mr. Lou Yiliang for re-appointment as an Executive Director of the Company. The Board has reviewed and concluded that Mr. Lou Yiliang possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and contributions to the Board and Company matters of Dr. Xu Jinsong for re-appointment as an Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Dr. Xu Jinsong possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and contributions to the Board and Company matters of Mr. Hideaki Miyazawa for re-appointment as an Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr. Hideaki Miyazawa possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether the appointment is executive, and if so, the area of responsibility	Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, ARMC Chairman, ARMC Member, etc.)	Chief Executive Officer, Executive and Non-Independent Director	Independent Non-Executive Director, Chairman of the Remuneration Committee and member of the Audit & Risk Management Committee	Independent Non-Executive Director and member of the NC

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Working experience and occupation(s) during past 10 year	Executive Director and Chief Executive Officer with full executive responsibilities	Associate Professor of Shanghai Jiao Tong University from 2001 to 2023 Chief Scientist of Seastel Marine System (Shanghai) Co. Ltd. since 2024	Mr. Hideaki Miyazawa has worked in NTN Corporation since 1983, with the following responsibilities and positions at NTN Corporation in the past 10 years: <ul style="list-style-type: none"> • Adviser (2025 – 2026) • Representative Executive Officer (2019 to 2025) • Board Member (2014 to 2025) • Corporate General Manager of CVJ & Axle Bearing Business Headquarter (Tokyo) – (2024 to 2025) • Corporate General Manager of Automotive Business Headquarter (Tokyo) – (2015 to 2024) • Executive Officer for American Region (Tokyo) (2024 to 2025) • Executive Officer for Global Procurement Headquarter (Tokyo and Osaka) – (2020 to 2022) • Deputy Corporate General Manager of Automotive HQ and Business Planning Department (Tokyo) – (2013 to 2014)
Shareholding interest in the listed issuer and its subsidiaries	30,985,500 shares	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No.	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<p>Other Principal Commitments including Directorships (for the last 5 years)</p>	<p>Present Directorships in companies:</p> <ol style="list-style-type: none"> 1. Toyochi Tsusho Co. Ltd. 2. Toyochi Industry Co. Ltd. 3. Shenzhen Jielunte Technology Co. Ltd 4. Mansfield Manufacturing Company Limited 5. Sun Mansfield Manufacturing (Dongguan) Co. Ltd. 6. Mansfield Manufacturing (Wuhan) Company Limited 7. Mansfield (Suzhou) Manufacturing Company Limited 8. Lens Tool & Die (H.K.) Limited 9. Mansfield (Thailand) Company Limited 10. Magix Mechatronics Company Limited 11. Magix Mechatronics (Dongguan) Company Limited 12. Feng Chuan Tooling (Dongguan) Company Limited 13. Mansfield Technology (Taiwan) Company Limited 14. Mansfield Vietnam Co., Ltd 15. Mansfield Manufacturing (M) Sdn. Bhd. <p>Past Directorships:</p> <ol style="list-style-type: none"> 1. Hua Yuan Sheng Industrial Company Limited 	<p>Present Directorship in company:</p> <ol style="list-style-type: none"> 1. Seastel Marine System (Shanghai) Co. Ltd. <p>Past Principal Commitment:</p> <ol style="list-style-type: none"> 1. Faculty member at Shanghai Jiao Tong University 	<p>Present Principal Commitment:</p> <ol style="list-style-type: none"> 1. Nil <p>Past Directorships/Principal Commitments:</p> <ol style="list-style-type: none"> 1. Adviser/NTN Corporation 2. Board Member/NTN Corporation 3. Representative Executive Officer/NTN Corporation 4. Board of Directors/NTN USA Corporation
<p>(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</p>	<p>No</p>	<p>No</p>	<p>No</p>

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<p>(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?</p>	No	No	No
<p>(c) whether there is any unsatisfied judgment against him?</p>	No	No	No
<p>(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware for such purpose?</p>	No	No	No
<p>(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?</p>	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or government body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	No	No	No
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>(i) Any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) Any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) Any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere, or</p> <p>(iv) Any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>			

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No
<p>Any prior experience as a director of a listed company?</p> <p>If yes, please provide details of prior experience.</p> <p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	N.A.	N.A.	<p>Prior to Mr. Hideaki Miyazawa's appointment as a Director of the Company, no.</p> <p>Following Mr. Hideaki Miyazawa's appointment as a Director of the Company, he has attended Listed Entity Director ("LED") Programme LED1 to LED9 organised by the Singapore Institute of Directors from 8 to 10 October 2025 and 17 to 20 March 2026.</p>

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INNOTEK LIMITED

(Company Registration no. 199508431Z)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING ON 29 APRIL 2026 AT 9.30 A.M.

PROXY FORM

(Please see notes overleaf before completing this Form) This Proxy Form has been made available on SGXNet and the Company's website and may be accessed at the URL <http://innotek.listedcompany.com/>. A printed copy of this form of proxy will be despatched to members.

Important
1. The Annual Report and Notice of Annual General Meeting ("AGM") dated 14 April 2026 and the proxy form have been made available on SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at https://innotek.listedcompany.com/newsroom.html .
2. The Annual General Meeting ("AGM") will be held at Marquis Room, Level 2, Copthorne King's Hotel, 403 Havelock Rd, Singapore 169632 on Wednesday, 29 April 2026 at 9.30 a.m. There will be no option for shareholders to participate virtually.
3. Members may submit questions to the Chairman of the Meeting in advance of the AGM, or prior to, the AGM and voting live at the AGM or by appointing proxies to vote on behalf. The relevant details are set out in the Company's Notice of AGM which may be accessed at the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at https://innotek.listedcompany.com/newsroom.html .
4. For investors who have used their CPF/SRS monies to buy shares in the Company, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
5. CPF or SRS Investors may: a. vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or b. appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should contact and instruct their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM, i.e. by 5.00 p.m. on 16 April 2026, to allow sufficient time for their respective Relevant Intermediaries to submit a proxy form(s) to appoint the Chairman of the AGM to vote on their behalf.
6. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2026.

I/We _____ (Name), NRIC/Passport Number* _____

of _____ (Address)

being a member/members of **INNOTEK LIMITED** (the "Company"), hereby appoint:

(a)

Name	NRIC/Passport No.	Email Address^	Proportion of Shareholdings	
			No. of Shares	(%)
Address				

and/or (delete as appropriate)

Name	NRIC/Passport No.	Email Address^	Proportion of Shareholdings	
			No. of Shares	(%)
Address				

OR

(b) the Chairman of the Annual General Meeting ("AGM"), as my/our proxy to attend and to vote for me/us on my/our behalf at the AGM of the Company to be held on 29 April 2026 at 9.30 a.m. in a wholly physical format at Marquis Room, Level 2, Copthorne King's Hotel, 403 Havelock Rd, Singapore 169632 and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the resolutions or abstain from the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, in respect of a resolution, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

	ORDINARY RESOLUTION	For*	Against*	Abstain*
1.	Directors' Statement and the Audited Financial Statements for the year ended 31 December 2025			
2.	Declaration of First and Final Dividend			
3.	Re-election of Mr. Lou Yiliang			
4.	Re-election of Dr. Xu Jinsong			
5.	Re-election of Mr. Hideaki Miyazawa			
6.	Approval of Directors' Fees for FY 2026			
7.	Re-appointment of Ernst & Young LLP as Auditors			
8.	Authority to issue new shares			
9.	Authority to allot and issue new shares in accordance with the provisions of the Share Plan			
10.	To approve the Renewal of the Share Purchase Mandate			

* If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate your vote "For", "Against" or "Abstain" with "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____, 2026.

Total Number of Shares in:	No. of Shares
(a) CDP register	
(b) Register of Members	

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE.

Notes:

1. The AGM will be convened and held at Marquis Room, Level 2, Copthorne King's Hotel, 403 Havelock Rd, Singapore 169632 on Wednesday, 29 April 2026 at 9.30 a.m., a member will be able to attend the Annual General Meeting in person. For this AGM, members of the Company (including relevant intermediaries) may vote by way of this Proxy Form appointing the Chairman of the Meeting to vote in accordance with the Proxy Form or by their duly appointed proxies as set out in the Notice of AGM.
2. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares registered in your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
3. A "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
4. A member who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such a member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.
5. A proxy need not be a member of the Company.
6. The proxy form appointing a proxy must be signed under the hand of the appointor or by his attorney duly authorised in writing. Where the proxy form appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a proxy form(s) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be sent with the executed proxy form either by post or by email, failing which the proxy form may be treated as invalid.
7. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted electronically, be submitted via email to the Company's Share Registrar at srs.proxy@boardroomlimited.com,
 - (b) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632; or

in either case, not less than 72 hours before the time set for the meeting, and in default, the instrument of proxy shall not be treated as void. A member who wishes to submit an instrument of proxy must first complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

As it may be difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act 1967.
9. The Company shall be entitled to reject an instrument of proxy that is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointer, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Protection:

By submitting an instrument appointing the Chairman of the Meeting as a proxy(ies) and/or any adjournment thereof, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

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INNOTEK

INNOTEK LIMITED

Co. Reg. No. 199508431Z

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