INNOTEK LIMITED
AND SUBSIDIARY COMPANIES

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

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A(i) Condensed interim consolidated income statement (unaudited)

	Note	Group Six months ended 30 June 2026 S$'000	2025 S$'000	Change %
Revenue	4	99,519	102,549	(3.0)
Cost of sales	5.1(a)	(85,073)	(88,612)	(4.0)
Gross profit		14,446	13,937	3.7
Other items of income				
Interest income		409	627	(34.8)
Other income	5.1(c)	3,633	2,803	29.6
Other items of expense				
Selling and distribution expenses		(2,096)	(2,012)	4.2
Administrative expenses	5.1(b)	(13,213)	(13,808)	(4.3)
Finance costs		(804)	(741)	8.5
Other expenses	5.1(c)	(1,627)	(23)	NM
Share of results of joint venture		–	21	(100.0)
Profit before tax	5	748	804	(7.0)
Income tax expense	6	(603)	(719)	(16.1)
Profit, net of tax		145	85	70.6
Profit attributable to:				
- Owners of the Company		145	405	(64.2)
- Non-controlling interests		–	(320)	(100.0)
		145	85	70.6
Earnings per share attributable to owners of the Company (cents per share)				
Basic		0.06	0.18	(66.7)
Diluted		0.06	0.18	(66.7)

NM denotes Not Meaningful

A(ii) Condensed interim consolidated statement of comprehensive income (unaudited)

	Note	Group Six months ended 30 June 2026 S$'000	2025 S$'000	Change %
Profit, net of tax		145	85	70.6
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation		3,215	(7,256)	NM
Fair value gain on financial assets measured at fair value through other comprehensive income ("FVOCI")		(62)	96	NM
Other comprehensive income/(loss) for the period, net of tax		3,153	(7,160)	NM
Total comprehensive income/(loss) for the period		3,298	(7,075)	NM
Total comprehensive income/(loss) attributable to:				
- Owners of the Company		3,298	(6,710)	NM
- Non-controlling interests		–	(365)	(100.0)
		3,298	(7,075)	NM

NM denotes Not Meaningful

B Condensed interim balance sheets (unaudited)

		Group		Company	
	Note	30 June 2026	31 December 2025	30 June 2026	31 December 2025
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	45,363	40,648	2	6
Right-of-use assets		25,273	25,571	55	9
Investment properties	8	26,918	25,941	–	–
Intangible assets		1,296	1,431	–	–
Investment in a subsidiary		–	–	61,000	47,061
Loan to a subsidiary		–	–	10,000	16,440
Investment in joint venture	9	–	–	–	–
Deferred tax assets		1,097	1,072	–	–
Other receivables		2,287	2,021	–	–
		102,234	96,684	71,057	63,516
Current assets					
Inventories	10	38,376	35,101	–	–
Trade and other receivables		70,199	71,600	2,609	8,941
Contract assets		8,097	6,582	–	–
Prepayments		4,065	1,956	7	34
Other investments		21,364	20,533	21,364	20,533
Cash and short-term deposits	12	58,698	46,505	25,206	15,525
		200,799	182,277	49,186	45,033
Total assets		303,033	278,961	120,243	108,549
LIABILITIES AND EQUITY					
Current liabilities					
Income tax payable		3,940	3,581	73	50
Trade and other payables		69,640	63,759	640	571
Contract liabilities		3,124	2,441	–	–
Loans and borrowings	13	13,307	9,709	–	–
Lease liabilities		6,118	5,603	23	9
		96,129	85,093	736	630
Net current assets		104,670	97,184	48,450	44,403

B Condensed interim balance sheets (unaudited) (cont'd)

	Note	Group		Company	
		30 June 2026 S$'000	**31 December 2025** S$'000	**30 June 2026** S$'000	**31 December 2025** S$'000
Non-current liabilities					
Provisions		375	365	–	–
Deferred tax liabilities		2,164	2,040	359	302
Other payable		310	364	–	–
Lease liabilities		19,267	19,852	32	–
		22,116	22,621	391	302
Total liabilities		118,245	107,714	1,127	932
Net assets		184,788	171,247	119,116	107,617
Equity attributable to owners of the Company					
Share capital	14	113,422	98,021	113,422	98,021
Treasury shares		(7,465)	(7,465)	(7,465)	(7,465)
Retained earnings		81,060	86,165	14,037	17,877
Other reserves		(2,229)	(5,474)	(878)	(816)
		184,788	171,247	119,116	107,617
Total liabilities and equity		303,033	278,961	120,243	108,549

C Condensed interim consolidated cash flow statement (unaudited)

	Note	Group Six months ended 30 June 2026 S$'000	2025 S$'000
Operating activities			
Profit before tax		748	804
Adjustments for:			
Depreciation of property, plant and equipment		3,136	3,061
Amortisation of intangible assets		207	164
Depreciation of right-of-use assets		2,987	2,715
Net (gain)/loss on disposal of property, plant and equipment		(46)	23
Gain on termination of lease		–	(142)
Net loss/(gain) on disposal of other investments	5.1(c)	7	(27)
Share option expense		–	159
Net fair value gain on investment securities	5.1(c)	(1,762)	(502)
Write-back of allowance for doubtful debts		(18)	–
Net allowance for inventory obsolescence	10	68	304
Net allowance for/(write-back of) impairment loss on capitalised contract costs		376	(197)
Share of results of joint venture		–	(21)
Dividend income from other investments	5.1(c)	(213)	(180)
Interest expense		804	741
Interest income		(409)	(627)
Exchange differences		2,096	(1,965)
Operating cash flows before changes in working capital		7,981	4,310
Changes in working capital:			
Increase in trade and other receivables and contract assets		(342)	(1,651)
Increase in inventories		(3,805)	(1,126)
Decrease/(increase) in prepayments		51	(268)
Increase in trade and other payables and contract liabilities		6,512	3,130
Cash flows from operations		10,397	4,395
Interest paid		(804)	(741)
Interest received		418	638
Income taxes paid		(321)	(734)
Net cash flows generated from operating activities		9,690	3,558

C Condensed interim consolidated cash flow statement (unaudited) (cont'd)

		Group Six months ended 30 June	
	Note	**2026**	**2025**
		S$'000	S$'000
Investing activities			
Purchase of property, plant and equipment	7	(9,545)	(5,523)
Purchase of intangible assets		–	(200)
Proceeds from disposal of property, plant and equipment		54	33
Purchase of other investments		(847)	(3,748)
Proceeds from disposal of other investments		1,701	3,445
Dividend received from other investments		213	180
Increase in bank balance under portfolio investment management		(718)	(700)
Net cash flows used in investing activities		(9,142)	(6,513)
Financing activities			
Proceeds from bank loans and borrowings		7,355	2,796
Repayment of bank loans and borrowings		(4,233)	–
Purchase of treasury shares	14(b)	–	(563)
Proceeds from issuance of shares		15,401	–
Placement of pledged deposit		(1,148)	–
Repayment of principal portion of lease liabilities		(2,719)	(2,995)
Dividend paid on ordinary shares by the Company	16	(5,158)	(4,604)
Net cash flows generated/(used) in financing activities		9,498	(5,366)
Net increase/(decrease) in cash and cash equivalents		10,046	(8,321)
Effect of exchange rate changes on cash and cash equivalents		280	(1,877)
Cash and cash equivalents at 1 January		44,604	48,163
Cash and cash equivalents at 30 June		54,930	37,965

D Condensed interim statements of changes in equity (unaudited)

Group	Note	Equity, total	Share capital	Treasury shares	Retained earnings	Share option reserve	Foreign currency translation reserve	Statutory reserve	Fair value reserve of financial assets at FVOCI	Asset revalua-tion reserve	Gain or loss on reissuance of treasury shares	Total other reserves	Non-controlling interests
			Attributable to owners of the Company										
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2026													
At 1 January 2026		171,247	98,021	(7,465)	86,165	465	(15,211)	8,003	346	2,550	(1,627)	(5,474)	–
Profit/(loss) for the period		145	–	–	145	–	–	–	–	–	–	–	–
Other comprehensive income for the period, net of tax													
Foreign currency translation		3,215	–	–	–	–	3,215	–	–	–	–	3,215	–
Fair value gain on financial assets measured at FVOCI		(62)	–	–	–	–	–	–	(62)	–	–	(62)	–
Total comprehensive (loss)/income for the period		3,298	–	–	145	–	3,215	–	(62)	–	–	3,153	–
Contributions by and distributions to owners													
Issuance of shares pursuant to private placement (net of transaction costs)		15,401	15,401	–	–	–	–	–	–	–	–	–	–
Dividends on ordinary shares	16	(5,158)	–	–	(5,158)	–	–	–	–	–	–	–	–
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		10,243	15,401	–	(5,158)	–	–	–	–	–	–	–	–
Others													
Transfer to statutory reserve fund		–	–	–	(92)	–	–	92	–	–	–	92	–
At 30 June 2026		184,788	113,422	(7,465)	81,060	465	(11,996)	8,095	284	2,550	(1,627)	(2,229)	–

D Condensed interim statements of changes in equity (unaudited) (cont'd)

Group	Note	Equity, total	Share capital	Treasury shares	Retained earnings	Share option reserve	Foreign currency translation reserve	Statutory reserve	Fair value reserve of financial assets at FVOCI	Asset revalua-tion reserve	Gain or loss on reissuance of treasury shares	Total other reserves	Non-controlling interests
			Attributable to owners of the Company										
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2025													
At 1 January 2025		176,175	98,021	(8,855)	88,993	624	(12,016)	7,726	166	2,550	(1,706)	(2,656)	672
Profit/(loss) for the period		85	–	–	405	–	–	–	–	–	–	–	(320)
Other comprehensive income for the period, net of tax													
Foreign currency translation		(7,256)	–	–	–	–	(7,211)	–	–	–	–	(7,211)	(45)
Fair value gain on financial assets measured at FVOCI		96	–	–	–	–	–	–	96	–	–	96	–
Total comprehensive (loss)/income for the period		(7,075)	–	–	405	–	(7,211)	–	96	–	–	(7,115)	(365)
Contributions by and distributions to owners													
Grant of equity-settled share options to employees		159	–	–	–	159	–	–	–	–	–	159	–
Expiry of employees share options		–	–	–	56	(56)	–	–	–	–	–	(56)	–
Dividends on ordinary shares	16	(4,604)	–	–	(4,604)	–	–	–	–	–	–	–	–
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners		(4,445)	–	–	(4,548)	103	–	–	–	–	–	103	–
Others													
Transfer to statutory reserve fund		–	–	–	(191)	–	–	191	–	–	–	191	–
Purchase of treasury shares		(563)	–	(563)	–	–	–	–	–	–	–	–	–
At 30 June 2025		164,092	98,021	(9,418)	84,659	727	(19,227)	7,917	262	2,550	(1,706)	(9,477)	307

D Condensed interim statements of changes in equity (unaudited) (cont'd)

			Attributable to owners of the Company						
Company	**Note**	**Equity, total** S$'000	**Share capital** S$'000	**Treasury shares** S$'000	**Retained earnings** S$'000	**Share option reserve** S$'000	**Fair value reserve of financial assets at FVOCI** S$'000	**Gain or loss on reissuance of treasury shares** S$'000	**Total other reserves** S$'000
2026									
At 1 January 2026		107,617	98,021	(7,465)	17,877	465	346	(1,627)	(816)
Profit for the period		1,318	–	–	1,318	–	–	–	–
Other comprehensive income for the period, net of tax									
Fair value gain on financial assets measured at FVOCI		(62)	–	–	–	–	(62)	–	(62)
Total comprehensive income for the period		1,256	–	–	1,318	–	(62)	–	(62)
Contributions by and distributions to owners									
Issuance of shares pursuant to private placement (net of transaction costs)		15,401	15,401	–	–	–	–	–	–
Dividends on ordinary shares	16	(5,158)	–	–	(5,158)	–	–	–	–
At 30 June 2026		119,116	113,422	(7,465)	14,037	465	284	(1,627)	(878)
2025									
At 1 January 2025		102,982	98,021	(8,855)	14,732	624	166	(1,706)	(916)
Profit for the period		111	–	–	111	–	–	–	–
Other comprehensive income for the period, net of tax									
Fair value gain on financial assets measured at FVOCI		96	–	–	–	–	96	–	96
Total comprehensive income for the period		207	–	–	111	–	96	–	96
Contributions by and distributions to owners									
Grant of equity-settled share options to employees		159	–	–	–	159	–	–	159
Expiry of employee share options		–	–	–	56	(56)	–	–	(56)
Dividends on ordinary shares	16	(4,604)	–	–	(4,604)	–	–	–	–
Others									
Purchase of treasury shares		(563)	–	(563)	–	–	–	–	–
At 30 June 2025		98,181	98,021	(9,418)	10,295	727	262	(1,706)	(717)

E Notes to the condensed interim financial statements

1. Corporate information

InnoTek Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The registered office and principal place of business of the Company is located at 2 Venture Drive, #08-25, Vision Exchange, Singapore 608526. The principal activity of the Company is investment holding.

The principal activities of the Group are:
(a) Manufacturing and sales of precision component stamping and tooling products
(b) Manufacturing and sales of precision machining products
(c) Investment holding

2. Basis of preparation

The Group and the Company prepared the consolidated financial statements under Rule 705 in accordance with Appendix 7.2 and also in accordance with the relevant accounting standards for interim financial reporting under SFRS(I).

The accounting policies and method of computation adopted are consistent with those of the previous financial year's audited financial statements which were prepared in accordance with SFRS(I), except for changes, if any, as set out in Note 2.1.

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025. The consolidated financial statements are prepared in Singapore dollars ("SGD" or "S$"), which is the Company's functional currency.

2.1 Changes in accounting policies and method of computation, if any, giving reasons and impact of the changes.

The Group has not adopted any new accounting standards or made any changes to its accounting policies and computation methods, except for the amendments to standards that became effective for annual financial periods beginning on or after 1 January 2026. The adoption of these amendments to standards did not have any material effect on the financial performance or position of the Group.

2.2 Uses of judgments and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 7 – Impairment of property, plant & equipment and right-of-use assets
- Note 9 – Allowance for inventory obsolescence

3. Seasonal operations

The Group's businesses are typically influenced by operational slowdowns during the Chinese New Year period, which often extends beyond the official public holidays, as well as the Labor Day and National Day holidays in China.

4. Segment and revenue information

The Group is organised into business units based on its products and services, and has three reportable operating segments as follows:

(a) the precision mechanical manufacturing segment specialises in sales of stamping components, tooling design, and fabrication;
(b) the precision intelligent manufacturing segment specialises in the machining of products, and
(c) the corporate and others segment involves group-level corporate services and treasury functions.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

4. Segment and revenue information

4.1 Reportable segments

	Mansfield													
Six months ended 30 June	Precision mechanical manufacturing		Precision intelligent manufacturing		Adjustments and Eliminations		Total		Corporate and Others		Eliminations		Total	
	1H'26 S$'000	1H'25 S$'000	1H'26 S$'000	1H'25 S$'000	1H'26 S$'000	1H'25 S$'000	1H'26 S$'000	1H'25 S$'000	1H'26 S$'000	1H'25 S$'000	1H'26 S$'000	1H'25 S$'000	1H'26 S$'000	1H'25 S$'000
Revenue														
External customers	86,166	88,725	13,353	13,824	–	–	99,519	102,549	–	–	–	–	99,519	102,549
Inter-segment	40,945	50,644	121	256	(41,066)	(50,900)	–	–	–	–	–	–	–	–
Total Revenue	127,111	139,369	13,474	14,080	(41,066)	(50,900)	99,519	102,549	–	–	–	–	99,519	102,549
Results														
External interest income	61	17	86	239	–	–	147	256	262	371	–	–	409	627
Inter-segment interest income	–	–	–	–	–	–	–	–	245	274	(245)	(274)	–	–
Inter-segment interest expense	(123)	(274)	(123)	–	–	–	(245)	(274)	–	–	245	274	–	–
Depreciation and amortisation	(4,405)	(4,137)	(1,898)	(1,784)	–	–	(6,303)	(5,921)	(27)	(19)	–	–	(6,330)	(5,940)
Dividend income from other investments	–	–	–	–	–	–	–	–	213	180	–	–	213	180
Net gain/(loss) on disposal of property, plant and equipment	46	2	–	(25)	–	–	46	(23)	–	–	–	–	46	(23)
Gain on termination of lease	–	–	–	142	–	–	–	142	–	–	–	–	–	142
Net foreign exchange (loss)/gain	(1,167)	1,350	(383)	(809)	–	–	(1,550)	541	(70)	(226)	–	–	(1,620)	315
Rental income	362	442	981	1,008	–	–	1,343	1,450	–	–	–	–	1,343	1,450
Share of results of joint venture	–	21	–	–	–	–	–	21	–	–	–	–	–	21
Finance cost	(688)	(214)	(115)	(526)	–	–	(803)	(740)	(1)	(1)	–	–	(804)	(741)
Allowance for inventory obsolescence	(353)	(494)	–	–	–	–	(353)	(494)	–	–	–	–	(353)	(494)
Write-back of allowance for inventory obsolescence	285	188	–	2	–	–	285	190	–	–	–	–	285	190
(Allowance for)/write-back of impairment loss on capitalised contract costs	(376)	197	–	–	–	–	(376)	197	–	–	–	–	(376)	197
Other non-cash (expenses)/income [(1)]	–	(136)	–	–	–	–	–	(136)	1,755	713	–	–	1,752	577
Segment profit/(loss) before tax	(151)	1,584	(524)	(937)	–	–	(675)	647	1,423	157	–	–	748	804
Income tax expense	(60)	(34)	(437)	(640)	–	–	(497)	(674)	(106)	(45)	–	–	(603)	(719)
Assets														
Additions to non-current assets [(2)]	7,397	4,148	2,145	1,573	–	–	9,542	5,721	3	2	–	–	9,545	5,723
Segment assets	186,158	147,555	70,200	70,814	–	–	256,358	218,369	120,243	98,970	(73,568)	(65,751)	303,033	251,588
Liabilities														
Segment liabilities	95,785	68,119	21,333	18,588	–	–	117,118	86,707	1,127	789	–	–	118,245	87,496

(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.

4. Segment and revenue information (cont'd)

4.2 Disaggregation of revenue from contracts with customers

Segments	**Precision mechanical manufacturing**		**Precision intelligent manufacturing**		**Total revenue**	
Six months ended 30 June	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Primary geographical markets						
Hong Kong/The People's Republic of China	78,005	80,587	12,628	11,179	90,633	91,766
Thailand	8,161	5,724	–	–	8,161	5,724
Vietnam	–	2,414	725	2,645	725	5,059
	86,166	88,725	13,353	13,824	99,519	102,549
Major sectors served						
Office Automation	23,519	24,174	–	–	23,519	24,174
Automotive	48,238	37,844	257	554	48,495	38,398
TV/Display	–	–	8,642	12,876	8,642	12,876
Artificial Intelligence ("AI")	9,684	21,676	3,190	156	12,874	21,832
New Field	2,063	2,961	542	–	2,605	2,961
Others	2,662	2,070	722	238	3,384	2,308
	86,166	88,725	13,353	13,824	99,519	102,549
Timing of transfer of goods						
At a point in time	86,166	88,725	13,353	13,824	99,519	102,549

4.3 By geographical information

	Non-current assets As at 30 June 2026	**Non-current assets As at 31 December 2025**
	S$'000	S$'000
Hong Kong / PRC	80,806	79,406
Thailand	11,970	9,402
Vietnam	3,922	4,557
Malaysia	4,382	2,232
Singapore	57	15
	101,137	95,612

Non-current assets consist of property, plant, and equipment ("PPE") including construction-in-progress, right-of-use assets, investment properties, intangible assets, investment in joint venture and non-current other receivables as presented in the balance sheets

5. Profit before taxation

5.1 Significant items

Profit before taxation is arrived at after (charging)/crediting the following:

	Group Six months ended 30 June	
	2026	**2025**
	$'000	$'000
(a) Major items included in cost of sales are:		
– Inventories recognised as an expense in cost of sales (including capitalised contract costs)	(45,793)	(51,434)
– Net allowance for inventory obsolescence	(68)	(304)
– Net (allowance for)/write-back of impairment loss on capitalised contract costs	(376)	197
– Depreciation of property, plant and equipment	(2,434)	(2,194)
– Depreciation of right-of-use assets	(2,333)	(2,299)
– Wages and salaries	(19,907)	(19,557)
(b) Major items included in administrative expenses are:		
– Depreciation of property, plant and equipment	(702)	(867)
– Amortisation of intangible assets	(207)	(164)
– Depreciation of right-of-use assets	(654)	(416)
– Rental expense	(195)	(145)
– Wages and salaries	(7,261)	(8,161)
– Business tax & statutory charges	(948)	(905)
(c) Major items included in other expenses and other income are:		
– Write-back of allowance for doubtful debts	18	–
– Gain/(loss) on disposal of property, plant and equipment	46	(23)
– Government grants	151	56
– Gain on termination of lease	–	142
– Fair value gain on investment securities	1,762	502
– Net (loss)/gain on disposal of other investments	(7)	27
– Dividend income from other investments	213	180
– Net foreign currency (loss)/gain	(1,620)	315
– Property rental income	1,343	1,450

5. Profit before taxation (cont'd)

5.2 Related party transactions

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 Six months ended 30 June	
	2026	**2025**
	S$'000	S$'000
Sales of goods to:		
- Joint venture	179	71
- Companies related to a director	1	1
Purchase of goods from:		
- Joint venture	3	–
- Companies related to a director	(51)	(32)
Rental payments to a company related to a director	(415)	(427)
Purchase of plant and machinery from joint venture	–	(128)

Included in lease liabilities as of 30 June 2026 is an amount of S$1.1 million (31 December 2025: S$1.2 million) relating to a lease arrangement with a company partially owned by a director.

6. Taxation

The Group makes or adjusts the tax provision for the period's income tax based on the relevant tax rates applied to the period's earnings. The major components of income tax expense in the condensed interim consolidated income statement are: -

	Group Six months ended 30 June	
	2026	**2025**
	S$'000	S$'000
Current income tax:		
Current income taxation	504	716
Over provision in respect of previous years	41	(38)
	545	678
Deferred income tax:		
Origination and reversal of temporary differences	58	41
	58	41
Total tax expense	603	719

7. Property, plant and equipment

During the financial period ended 30 June 2026, the Group acquired assets amounting to S$9.5 million (30 June 2025: S$5.5 million) and disposed of assets amounting to net book value of S$8,000 (30 June 2025: S$0.06 million).

Included in the property, plant and equipment is construction-in-progress amounting to S$6.8 million (31 December 2025: S$3.5 million), representing assets under development, which are not yet ready for use.

As at 30 June 2026, the Group had capital expenditure commitments amounting to S$11.6 million (31 December 2025: S$7.3 million), which were contracted for but not recognised in the financial statements, and relate primarily to the acquisition of property, plant and equipment.

There was no impairment loss on property, plant and equipment and right-of-use assets charged during the financial period ended 30 June 2026.

8. Investment properties

	Group	
	30 June 2026 S$'000	**31 December 2025** S$'000
Balance sheet		
At 1 January	25,941	27,004
Loss from fair value adjustments recognised in profit or loss	–	(385)
Exchange differences	977	(678)
	26,918	25,941

	Group Six months ended 30 June	
	2026 S$'000	**2025** S$'000
Condensed interim consolidated income statement		
Rental income from investment properties – Minimum lease payments	1,343	1,450
Direct operating expenses arising from rental generating properties	355	369

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.

Valuation of investment properties

Investment properties are stated at fair value, which have been determined based on valuations performed at the end of every financial year. 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, as at 31 December 2025.

Management has assessed that there have been no material changes in the fair values of the investment properties as at 30 June 2026. Accordingly, the carrying amounts of the investment properties approximate their fair values as at 30 June 2026.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using the income capitalisation approach whereby the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth over the unexpired lease term. The most significant input into the income capitalisation valuation approach is the capitalisation rate of 8% to 11% per annum.

An increase in capitalisation rate will result in a decrease in the fair value of the investment property.

8. Investment properties (cont'd)

The investment properties held by the Group as at 30 June 2025 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	32 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	32 years

As at 30 June 2026, the investment property with carrying amount of S$15.5 million (31 December 2025: S$15.0 million) was mortgaged to a bank as security for loan facilities.

9. Investment in joint venture

The Group has the following investment in joint venture:

Name	Country of incorporation	Principal Activities	Proportion of ownership interest	
			30 June 2026	31 December 2025
			%	%
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.

As at 30 June 2026, the Group has ceased recognising its share of losses of Anhui KM as the carrying amount of the investment had been reduced to nil following the impairment assessment performed for the financial year ended 31 December 2024. The Group's unrecognised share of losses for the six months ended 30 June 2026 was S$21,000. Cumulative unrecognised losses amounted to S$78,000 as at 30 June 2026.

10. Inventories

	Group 30 June 2026 S$'000	Group 31 December 2025 S$'000
Balance sheet		
Inventories		
– Raw materials (at cost)	5,994	6,668
– Work-in-progress (at cost)	8,848	4,627
– Finished goods (at cost or net realisable value)	12,838	13,196
	27,680	24,491
Capitalised contract costs – relating to manufacturing of customers' tooling	10,696	10,610
	38,376	35,101

	Group Six months ended 30 June 2026 S$'000	Group Six months ended 30 June 2025 S$'000
Consolidated income statement		
Inventories recognised as an expense in cost of sales	43,523	47,865
Inclusive of the following charge/(credit):		
– Allowance for inventory obsolescence	353	494
– Write-back of allowance for inventory obsolescence	(285)	(190)
Capitalised contract costs recognised as an expense in cost of sales	2,270	3,569
Net allowance for/(write-back of) impairment loss on capitalised contract costs	376	(197)

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

11. Financial assets and financial liabilities

	Note	Group 30 June 2026 S$'000	Group 31 December 2025 S$'000	Company 30 June 2026 S$'000	Company 31 December 2025 S$'000
Financial assets					
Other investment					
- Quoted equity securities at FVPL		13,202	11,057	13,202	11,057
- Quoted debt securities at FVOCI		8,162	9,476	8,162	9,476
Trade and other receivables		70,918	72,321	12,609	25,381
Cash and short-term deposits	12	58,698	46,505	25,206	15,525
Total financial assets		150,980	139,359	59,179	61,439
Financial liabilities					
Loan and borrowings	13	13,307	9,709	–	–
Trade and other payables		61,412	55,252	438	371
Lease liabilities		25,385	25,455	55	9
Total financial liabilities		100,104	90,416	493	380

12. Cash and short-term deposits

	Group 30 June 2026 S$'000	Group 31 December 2025 S$'000	Company 30 June 2026 S$'000	Company 31 December 2025 S$'000
Cash at banks and on hand	28,260	28,029	850	2,455
Cash at bank under portfolio investment management	1,104	386	1,104	386
Short-term deposits (pledged)	2,664	1,515	–	–
Short-term deposits	26,670	16,575	23,252	12,684
Cash and short-term deposits	58,698	46,505	25,206	15,525
Less:				
Bank balance under portfolio investment management	(1,104)	(386)	(1,104)	(386)
Short-term deposits (pledged)	(2,664)	(1,515)	–	–
Cash and cash equivalents per cash flow statement	54,930	44,604	24,102	15,139

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, and earn interest at the respective short-term deposit rates. The weighted average effective interest rate for the Group and the Company was 2.8% (31 December 2025: 2.1%) per annum.

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

As at 30 June 2026, the Group had placed a deposit of S$2.7 million (31 December 2025: S$1.5 million) 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 was not available for general working capital purposes.

12. Cash and short-term deposits (cont'd)

Cash and cash equivalents of S$14.2 million (31 December 2025: S$13.2 million) 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.

13. Loans and borrowings

	Interest rate (Per annum)	Maturity	Group 30 June 2026 S$'000	Group 31 December 2025 S$'000
Current liabilities:				
Bank loans (secured)	LPR-0.40% & LPR-0.50%	2026	10,455	7,328
Bank trust receipts (secured)	1.40% & 1.60%	2026	951	550
Trade receivable financing (secured)	2.20%	2026	1,901	1,831
Total loans and borrowings			13,307	9,709

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% (2025: LPR minus 0.40% and 0.50%) per annum. The loans are secured over Magix Mechatronics (Dongguan) Company Limited's investment properties as disclosed in Note 8 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 30 June 2026 and 31 December 2025, no loan covenants were breached.

Bank trust receipts (secured)

These facilities are repayable within 180 days.

These facilities are secured over Magix Mechatronics (Dongguan) Company Limited's investment properties as disclosed in Note 8 of the financial statements.

Trade receivable financing (secured)

As at 30 June 2026, trade receivables of S$1.9 million (31 December 2025: S$1.8 million) were factored with recourse by a 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.

The financing was secured over Magix Mechatronics (Dongguan) Company Limited's investment properties as disclosed in Note 8 of the financial statements.

14. Share capital and treasury shares

(a) Share capital

	Group and Company			
	30 June 2026		31 December 2025	
	No. of Shares '000	S$'000	No. of shares '000	S$'000
Issued and fully paid ordinary shares				
At 1 January and 30 June 2026 (31 December 2025)	271,257	113,422	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 under which options to subscribe for the Company's ordinary shares have been granted to employees of the Group.

The Company completed a placement of 24,600,372 new shares at a placement price of S$0.6506 per share on 15 April 2026 (the “Placement”), following which, the total number of issued shares in the share capital of the Company (including treasury shares) increased from 246,656,428 to 271,256,800. The Placement raised net proceeds of approximately S$15.4 million (the "Net Proceeds").

(b) Treasury shares

	Group and Company			
	30 June 2026		31 December 2025	
	No. of shares '000	No. of shares '000	No. of shares '000	S$'000
At the beginning of period	13,377	7,465	15,351	8,855
Share buyback during the period	–	–	1,526	563
Treasury shares issued pursuant to ESOP	–	–	(3,500)	(1,953)
At the end of period	13,377	7,465	13,377	7,465

Treasury shares relate to ordinary shares of the Company that is held by the Company.

15. Fair value of assets

(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.

15. Fair value of assets (cont'd)

(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			
		Quoted prices in active markets for identical instruments (Level 1) S$'000	**Significant observable inputs other than quoted prices** (Level 2) S$'000	**Significant unobservable inputs** (Level 3) S$'000	**Total** S$'000
30 June 2026					
Assets measured at fair value					
Financial assets at FVPL					
Quoted equity securities	11	13,202	–	–	13,202
Financial assets at FVOCI					
Quoted debt securities	11	8,162	–	–	8,162
Financials assets as at 30 June 2026		21,364	–	–	21,364
Non-financial assets as at 30 June 2026					
Investment properties – Industrial	8	–	–	26,918	26,918

Group	Note	Fair value measurements at the end of the reporting period using			
		Quoted prices in active markets for identical instruments (Level 1) S$'000	**Significant observable inputs other than quoted prices** (Level 2) S$'000	**Significant unobservable inputs** (Level 3) S$'000	**Total** S$'000
31 December 2025					
Assets measured at fair value					
Financial assets at FVPL					
Quoted equity securities	11	11,057	–	–	11,057
Financial assets at FVOCI					
Quoted debt securities	11	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	8	–	–	25,941	25,941

15. Fair value of assets (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

Company	Note	Fair value measurements at the end of the reporting period using			
		Quoted prices in active markets for identical instruments (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Total S$'000
30 June 2026					
Assets measured at fair value					
Financial assets at FVPL					
Quoted equity securities	11	13,202	–	–	13,202
Financial assets at FVOCI					
Quoted debt securities	11	8,162	–	–	8,162
Financials assets as at 30 June 2026		21,364	–	–	21,364

Company	Note	Fair value measurements at the end of the reporting period using			
		Quoted prices in active markets for identical instruments (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Total S$'000
31 December 2025					
Assets measured at fair value					
Financial assets at FVPL					
Quoted equity securities	11	11,057	–	–	11,057
Financial assets at FVOCI					
Quoted debt securities	11	9,476	–	–	9,476
Financials assets as at 31 December 2025		20,533	–	–	20,533

16. Dividends

	Group and Company	
	30 June 2026	**30 June 2025**
	S$'000	S$'000
Declared and paid during the financial period		
Dividends on ordinary shares		
Interim exempt (one-tier) dividend for 2025: $0.02 (2024: $0.02) per share	5,158	4,604

17. Subsequent event

On 28 July 2026, the Company increased the share capital in its wholly-owned subsidiary, Mansfield Surface Treatment (Dongguan) Co., Ltd., from RMB 1,000,000 to RMB 20,000,000.

F Other information required by Listing Rule Appendix 7.2

1(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer of the issuers, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

(a) Share capital

	Group			
	As at 30 June 2026		As at 31 December 2025	
	No. of shares	S$'000	No. of shares	S$'000
Total number of issued shares (including treasury shares) at end of the period	271,256,800	113,422	246,656,428	98,021

The increase in the total number of issued shares in the share capital of the Company (including treasury shares) was due to the Placement completed on 15 April 2026.

(b) Number of shares that may be issued on conversion of all outstanding options are as follows:-

	Group	
	As at 30 June 2026	As at 31 December 2025
Outstanding at 1 January	2,600,000	6,700,000
Cancelled[1]	(600,000)	(600,000)
Exercised	–	(3,500,000)
Options granted under the employees' share option scheme	2,000,000	2,600,000

[1] 600,000 share options granted under the 2021 Scheme were cancelled following staff resignations on 30 May 2025 and 10 March 2026.

(c) Treasury shares

	Group			
	As at 30 June 2026		As at 31 December 2025	
	No. of shares	S$'000	No. of shares	S$'000
Total number of treasury shares at end of the period	13,376,800	7,465	13,376,800	7,465

The number of treasury shares held represents 5.19% of the total number of issued shares (excluding treasury shares) as at 30 June 2026.

The number of treasury shares held represents 5.73% of the total number of issued shares (excluding treasury shares) as at 31 December 2025.

1(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group			
	As at 30 June 2026		As at 31 December 2025	
	No. of shares '000	S$'000	No. of shares '000	S$'000
Total number of issued shares at end of the period	271,257	113,422	246,656	98,021
Number of treasury shares at end of the period	(13,377)	(7,465)	(13,377)	(7,465)
Net number of issued shares at end of the period	257,880	105,957	233,279	90,556

1(iii) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellations, and/or use of treasury shares as of the current financial period.

1(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellations, and/or use of subsidiary holdings as of the current financial period.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter)

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion, or disclaimer of opinion:
(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has not adopted any new accounting standards or made any changes to its accounting policies and computation methods, except for the amendments to standards that became effective for annual financial periods beginning on or after 1 January 2026.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of these amendments to standards did not have any material effect on the financial performance or position of the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share of the Group based on net earnings attributable to the shareholders of the Company:	Group Six months ended 30 June 2026	 2025
(i) Based on the weighted average number of shares		
Earnings per share (in Singapore cents)	0.06	0.18
Weighted average number of shares ('000)	243,609	230,786
(ii) On a fully diluted basis		
Earnings per share (in Singapore cents)	0.06	0.18
Adjusted weighted average number of shares ('000)	243,677	230,786

7. Net asset value (for the issuer and group) per ordinary share based on the issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 30 June 2026	As at 31 December 2025	As at 30 June 2026	As at 31 December 2025
Net asset value (S$'000)	184,788	171,247	119,116	107,617
Issued capital at the end of the period ('000)	257,880	233,279	257,880	233,279
Net asset value per ordinary share (in cents)	71.7	73.4	46.2	46.1

8. Review of performance of the Group

CONSOLIDATED INCOME STATEMENT

Revenue

For the first half ended 30 June 2026 ("1H'26"), the Group recorded revenue of S$99.5 million, representing a 3.0% decrease from S$102.5 million in the corresponding period ended 30 June 2025 ("1H'25"). The decrease was primarily attributable to lower sales across all major sectors, offset by higher contributions from the Automotive sector.

The revenue performance of the Group's major sectors is summarised below:

a) Revenue from the Automotive sector increased, mainly driven by higher sales in the electric vehicle ("EV") market, partially offset by weaker demand for components used in traditional internal combustion engine ("ICE") vehicles from foreign automotive brands in China.

b) Revenue from the Office Automation ("OA") sector declined 2.7% attributable to weaker market demand, particularly in China, which was partially offset by sales growth in Southeast Asia.

c) Revenue from the TV/Display sector declined due to lower orders from a key customer as a result of changes in its procurement and supplier arrangements.

d) Revenue from the Artificial Intelligence ("AI") sector decreased, as the Group customers transition to next-generation AI servers, which resulted in a change in order volumes and product mix during 1H'26.

e) Revenue from the New Field sector, which comprises components for gaming machines, medical equipment and other electronic products, decreased in 1H'26 mainly due to the absence of contributions from Hua Yuan Sheng Industrial Co., Ltd., which was a 70%-owned subsidiary prior to its disposal in October 2025.

Cost of sales

Cost of sales decreased by 4.0% to S$85.1 million in 1H'26 from S$88.6 million in 1H'25, broadly in line with the lower revenue recorded during the period. The decrease was partially offset by increases in the depreciation of property, plant and equipment, impairment loss on capitalised contract costs, and wages and salaries of production personnel.

Gross Profit

The Group’s gross profit increased by 3.7% to S$14.4 million in 1H’26, from S$13.9 million in 1H’25. This was mainly attributable to favourable changes in product mix despite lower overall revenue. As a result, gross profit margin improved to 14.5% in 1H’26, compared to 13.6% in 1H’25.

Selling and distribution expenses

Selling and distribution expenses increased by 4.2% to S$2.1 million in 1H’26, from S$2.0 million in 1H’25. The increase was mainly due to higher transportation and distribution-related costs.

Administrative expenses

Administrative expenses decreased by 4.3% to S$13.2 million in 1H’26 from S$13.8 million in 1H’25, mainly due to lower wages and salaries, partially offset by increases in other administrative expenses, including depreciation and amortisation charges.

Finance costs

Finance costs increased by 8.5% to S$0.8 million in 1H’26, from S$0.7 million in 1H’25. The increase was mainly attributable to higher loans and borrowings and related interest costs.

Other expenses

The Group's other expenses increased to S$1.6 million in 1H'26, compared to S$0.02 million in 1H'25. The increase was mainly attributable to a foreign exchange loss of S$1.6 million recognised in 1H'26. In 1H'25, the Group recorded a foreign exchange gain, which was recognised under other income.

Share of results of joint venture

The joint venture company was loss-making in 1H’26. As the investment had been fully impaired, the Group did not recognise any share of the joint venture’s results for the period, as it has no legal or constructive obligations to absorb such losses.

Other items of income

Interest income decreased by 34.8% to S$0.4 million in 1H’26 from S$0.6 million in 1H’25, mainly due to lower interest income earned on deposits and investments.

Other income increased by 29.6% to S$3.6 million in 1H’26, from S$2.8 million in 1H’25, mainly due to higher fair value gains on investment securities, partially offset by the absence of net foreign exchange gains and gain on termination of lease recognised in 1H'25.

Profit before tax

The Group’s profit before tax decreased by 7.0% to S$0.7 million in 1H’26 from S$0.8 million in 1H’25. The decline was mainly due to higher other expenses and finance costs, partially offset by higher gross profit and other income.

Income tax expense

The Group’s income tax expense decreased to S$0.6 million in 1H’26 from S$0.7 million in 1H’25, mainly in line with the lower profit before tax recorded during the period.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026, the Group maintained a strong balance sheet with a net cash position of S$66.8 million. This comprised cash and bank balances (defined as the total of other investments, cash and short-term deposits) amounting to S$80.1 million, offset by total loans and borrowings of S$13.3 million. Shareholders' equity stood at S$184.8 million, translating to a net asset value of approximately 71.7 cents per share based on the total number of issued shares excluding treasury shares.

Total assets increased to S$303.0 million as at 30 June 2026, from S$279.0 million as at 31 December 2025. The increase was mainly attributable to higher cash and short-term deposits which rose by S$12.2 million to S$58.7 million, primarily due to the net proceeds of S$15.4 million from the private placement exercise. Property, plant and equipment increased by S$4.7 million to S$45.4 million and prepayments increased by S$2.1 million to S$4.1 million, mainly due to the purchase of new assets and placement of deposits for asset acquisitions. Inventories and contract assets increased by S$3.3 million and S$1.5 million, respectively, mainly due to the build-up of inventories and tooling for new projects. These increases were partially offset by a decrease in trade and other receivables and intangible assets.

Total liabilities increased to S$118.2 million as at 30 June 2026, from S$107.7 million as at 31 December 2025. The increase was mainly driven by higher trade and other payables, in line with the increase in inventories, as well as higher loans and borrowings and income tax payable.

CONSOLIDATED STATEMENT OF CASH FLOWS

In 1H'26, the Group generated net cash flows from operating activities of S$9.7 million, compared with S$3.6 million in 1H'25. The increase was mainly attributable to stronger operating cash flows before changes in working capital and a higher increase in trade and other payables and contract liabilities, partially offset by higher inventory build-up.

Net cash used in investing activities increased compared with 1H'25, mainly due to higher capital expenditure on property, plant and equipment of S$9.5 million in 1H'26, compared with S$5.5 million in 1H'25.

Net cash flows generated from financing activities were mainly attributable to proceeds from the Placement of S$15.4 million and net proceeds from loans and borrowings of S$3.1 million, partially offset by the placement of pledged fixed deposits.

As a result of the above, the Group recorded cash and cash equivalents of S$54.9 million as at 30 June 2026, compared to S$44.6 million as at 31 December 2025.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

InnoTek remains focused on its strategic transformation to serve emerging market sectors such as Artificial Intelligence ("AI") and New Energy, which includes Electric Vehicles ("EVs") batteries and energy storage solutions. In line with its growth plans, InnoTek expanded its regional production footprint and manufacturing capabilities during the period under review.

On the outlook, the Group remains optimistic about its long-term growth prospects, underpinned by accelerating global investments in AI, high-performance computing and data centre infrastructure. In the near term, order volumes are expected to remain moderated as customers transition to next-generation AI server platforms. The Group continues to maintain its position as a key supplier of GPU server chassis and is actively pursuing new model qualifications and adjacent product categories to capture evolving demand and deepen customer relationships.

In June 2026, InnoTek announced the establishment of Mansfield Technology (Thailand) Co., Ltd. in Chonburi, Thailand. Expected to commence operations in August 2026, the facility will support the Group's first liquid cooling component project, with pilot production and mass production scheduled for October 2026 and January 2027, respectively.

In parallel, the Group is expanding its presence in robotics and humanoid technologies through its existing manufacturing facilities in Dongguan, China, which successfully delivered a pilot batch of precision CNC components for humanoid robotics in June 2026. As these projects progress and customer demand scales up, they are expected to broaden the Group's exposure to high-growth technology sectors and strengthen its long-term earnings potential and competitive positioning.

The Group also completed the construction of a 15,772 sqm (169,768 sqft) extension to its existing manufacturing facility in Rayong, Thailand in July 2026. The expanded facility further boosts the Group's manufacturing capacity and provides greater flexibility to support global customers, particularly from the U.S., Europe and Japan, spanning OA, Automotive, industrial systems, as well as AI-related and liquid cooling.

In Malaysia, the Group held the opening ceremony for its new facility in Melaka in April 2026, with operations expected to commence in the third quarter of FY2026. The new facility further strengthens the Group's regional manufacturing capabilities and enhances its ability to support customers seeking greater supply chain diversification, manufacturing flexibility and resilience.

Meanwhile, the broader manufacturing sector continued to face a challenging operating environment, shaped by ongoing supply chain realignments, geopolitical uncertainties, evolving global trade policies and cautious customer spending. Against this backdrop, the Group experienced softer demand in its traditional TV/Display and Office Automation ("OA") segments, partially offset by resilient performance in the Automotive segment.

Within the Automotive segment, the Group continues to leverage its manufacturing presence across China and Thailand to serve global Tier-1 automotive customers. At the same time, the Group is progressively adapting its product portfolio to capture growing demand for EV batteries and components, while navigating continued softness in China's traditional internal combustion engine vehicle market.

The TV/Display segment is expected to face significant headwinds. Following a change in corporate ownership at a key customer, changes in the customer's procurement and supplier arrangements have resulted in a reduction in order forecasts for the Group in the coming period. The Group is actively managing the impact and expects growth from the AI-related products, New Energy and robotics segments to offset the lower contribution from TV/Display.

The Group continues to work closely with its OA customers to support their production relocation programmes from China to Southeast Asia and remains well positioned to capture incremental business arising from this structural shift.

Looking ahead, FY2026 is expected to be a year of transition for InnoTek. The start-up and pre-operating costs associated with the new facilities are expected to weigh on near-term financial performance. Combined with the gestation period required for new projects in GPU servers, liquid cooling and robotics, the Group expects the financial contributions from these initiatives to become increasingly meaningful from FY2027 onwards. The Group will continue to uphold strict cost discipline, enhance its Quality, Cost, Delivery and Service ("QCDS") standards, and execute its strategic plans as it navigates the current period of transition.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the present financial period? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and provide the reasons

No dividend was declared for the present financial period on grounds of prudency.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Interested Person Transactions – Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial period which it is required to report on pursuant to the Rule 705.

Interested persons transactions for the six months ended 30 June 2026

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$'000
Wuhan Grand Mould Plastic Co. Ltd.	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 29.61%	415	N/A
Anhui KM Technology Co. Ltd.	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 15.1%	182	N/A

The Company has not obtained an IPT mandate from shareholders.

14. Use of Proceeds

Further to the completion of the Placement on 15 April 2026, the Board wishes to provide the following update on the use of the Net Proceeds as at 30 June 2026:

Use of Net Proceeds	Amount allocated S$ million	Amount utilised S$ million	Balance unutilised as of 30 June 2026 S$ million
General corporate activities including but not limited to acquisitions, joint ventures and/or strategic alliances and expansion of its operations in Southeast Asia	14.0	(1.7)	12.3
General working capital(1)	1.4	(0.2)	1.2
Total	**15.4**	**(1.9)**	**13.5**

Note:

(1) Utilised for operating expenses incurred in connection with the establishment of the Group's second manufacturing facility in Thailand.

15. Negative confirmation pursuant to SGX Listing Rule 705(5) of the Listing Manual (Not required for an announcement of full-year results)

The Directors confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results of the Company and the Group for the six months ended 30 June 2026 to be false or misleading in any material aspects.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

17. Disclosure on acquisition and realisation of shares pursuant to Rule 706A

During the current financial period reported on, the Company subscribed for additional shares in its wholly-owned subsidiary, Mansfield Manufacturing Company Limited ("Mansfield HK"), for an aggregate consideration of S$13.94 million, comprising the capitalisation of a shareholder's loan of S$6.44 million and a cash subscription of S$7.50 million. Following the subscription, Mansfield Manufacturing Company Limited remains a wholly-owned subsidiary of the Company.

On 6 May 2026, the Company incorporated a wholly-owned subsidiary, Mansfield Technology (Thailand) Co., Ltd. ("MTTH"), in Chonburi, Thailand, with a paid-up capital of THB100 million (equivalent to S$4 million). The capital contribution was funded using part of the proceeds from the Placement.

Save for the above, there were no acquisitions and realisation of shares resulting in a company becoming or ceasing to be a subsidiary or associated company of the Company, or resulting in the Company increasing or reducing its shareholding percentage in a subsidiary or associated company.

BY ORDER OF THE BOARD

Neal Manilal Chandaria
Chairman
Non-Executive and Non-Independent Director

Lou Yiliang
Chief Executive Officer

13 August 2026