

**8 PART 1 - INFORMATION REQUIRED FOR HALF YEAR and FULL YEAR ANNOUNCEMENTS**

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, together with a comparative statement for the corresponding period of the immediately preceding financial year

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

*For the 6 months ended 30 June 2021*

Group	Note	6 Months Ended 30-Jun		Change %
		2021 S\$'000	2020 S\$'000	
<b>Revenue</b>		<b>84,301</b>	<b>79,705</b>	<b>5.8</b>
Cost of sales	1(e)6.1(a)	(66,569)	(62,626)	6.3
<b>Gross profit</b>		<b>17,732</b>	<b>17,079</b>	<b>3.8</b>
<b>Other items of expense</b>				
Selling and distribution		(1,996)	(1,598)	24.9
Administrative expense	1(e)6.1(b)	(11,775)	(11,061)	6.5
Finance cost		(1,138)	(1,189)	(4.3)
Other expenses	1(e)6.1(c)	(69)	(1,511)	(95.4)
Share of results of joint venture		(178)	(59)	201.7
Total other item of expenses		(15,156)	(15,418)	(1.7)
<b>Other items of income</b>				
Interest income		507	740	(31.5)
Other income	1(e)6.1(c)	2,181	2,472	(11.8)
Total other items of income		2,688	3,212	(16.3)
<b>Profit before tax</b>		<b>5,264</b>	<b>4,873</b>	<b>8.0</b>
Income tax expense	1(e)7	1,973	(1,139)	NM
<b>Profit for the period attributable to owners of the company</b>		<b>7,237</b>	<b>3,734</b>	<b>93.8</b>
<b>Other comprehensive income :</b>				
<u>Items that may be classified subsequently to profit or loss</u>				
- Foreign currency translation		2,497	2,456	1.7
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")		30	(262)	NM
<b>Other comprehensive income for the period , net of tax</b>		<b>2,527</b>	<b>2,194</b>	<b>15.2</b>
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<b>9,764</b>	<b>5,928</b>	<b>64.7</b>
<b>Earnings per share attributable to owners of the Company (cents per share)</b>				
<b>Basic</b>	Note 9.1	<b>3.17</b>	<b>1.65</b>	<b>92.1</b>
<b>Diluted</b>	Note 9.1	<b>3.12</b>	<b>1.64</b>	<b>90.2</b>
NM denotes Not Meaningful				

**1(b) A Statement of financial position (for the issuer and the Group), together with a comparative statement as at the end of the immediately preceding financial year**

**Balance Sheets (Unaudited)**

	Note	Group		Company	
		As at 30-Jun-21 S\$'000	As at 31-Dec-20 S\$'000	As at 30-Jun-21 S\$'000	As at 31-Dec-20 S\$'000
<b>Non-current Assets</b>					
Property, plant and equipment		32,566	31,413	-	4
Investment properties		27,672	27,064	-	-
Intangible assets		555	318	-	-
Investment in subsidiary		-	-	47,061	47,061
Investment in joint venture		1,505	1,645	-	-
Right-of-use assets		21,221	22,855	126	10
Other receivables		1,011	977	-	-
Deferred tax assets		955	937	-	-
		85,485	85,209	47,187	47,075
<b>Current Assets</b>					
Inventories		30,745	22,766	-	-
Trade and other receivables	1(e)6.2(a)	47,185	61,774	25	4,861
Contract assets		1,790	1,653	-	-
Prepayments		2,670	2,559	13	40
Other investment	1(e)(5)(A)(i)	39,068	18,530	19,777	18,509
Cash and short-term deposit	1(e)(5)(A)(ii)	52,484	73,274	21,917	22,344
		173,942	180,556	41,732	45,754
<b>Total Assets</b>		259,427	265,765	88,919	92,829
<b>Current Liabilities</b>					
Lease liabilities		4,073	3,967	24	10
Trade and other payables		44,838	52,393	428	473
Contract liabilities		3,237	2,747	-	-
Provisions		5	7	-	-
Loan and borrowing	1(e)(5)(B)	419	441	9	-
Income tax payable		3,144	6,019	-	30
		55,716	65,574	461	513
<b>Net Current Assets</b>		118,226	114,982	41,271	45,241
<b>Non-current Liabilities</b>					
Provisions		489	472	-	-
Lease liabilities	1(e)(5)(B)	16,554	17,753	-	-
Loan and borrowing	1(e)(5)(B)	944	1,213	103	-
Deferred tax liabilities		2,212	2,808	-	643
		20,199	22,246	103	643
<b>Total Liabilities</b>		75,915	87,820	564	1,156
<b>Net Assets</b>		183,512	177,945	88,355	91,673
Share capital		98,021	98,021	98,021	98,021
Treasury shares	1(d)(ii) (b)	(10,586)	(11,739)	(10,586)	(11,739)
Retained earnings		86,452	84,226	1,051	4,768
Other reserves		9,625	7,437	(131)	623
<b>Total Equity</b>		183,512	177,945	88,355	91,673

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

**CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)**

GROUP	Note	6 Months Ended 30-Jun	
		2021 S\$'000	2020 S\$'000
<b>Operating activities :</b>			
Profit before tax		5,264	4,873
Adjustments for:			
Depreciation of property, plant and equipment		2,768	2,698
Amortisation of intangible assets		79	47
Depreciation of right-of-use assets		2,533	2,187
Loss on disposal of PPE and intangible assets		-	(55)
Loss on disposal of other investments		5	843
Share option expense		-	241
Allowance for doubtful debts written back		-	(356)
Net fair value (gain)/loss on investment securities		(425)	669
Interest expense		1,138	1,189
Interest income		(507)	(740)
Allowance for inventory obsolescence		50	432
Exchange differences		902	157
Share of results of joint venture		178	59
Provision for severance benefits and restructuring expenses		5	(10)
Dividend income from other investments		(106)	(69)
		<u>6,620</u>	<u>7,292</u>
<b>Operating cash flows before changes in working capital</b>		<b>11,884</b>	<b>12,165</b>
<u>Changes in working capital</u>			
Decrease in trade and other receivables and contract assets		14,425	2,129
(Increase)/Decrease in inventories		(8,041)	2,911
Increase in prepayments		(182)	(23)
Decrease in trade and other payables and contract liabilities		(7,066)	(8,757)
		<u>(864)</u>	<u>(3,740)</u>
<b>Cash flow from operations</b>		<b>11,020</b>	<b>8,425</b>
Interest paid		(1,138)	(1,183)
Interest received		520	762
Income taxes paid		(1,637)	(842)
		<u>(2,255)</u>	<u>(1,263)</u>
<b>Net cash generated from operating activities</b>		<b>8,765</b>	<b>7,162</b>

**CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) - Cont'd**

<b>GROUP</b>	<b>Note</b>	<b>6 Months Ended 30-Jun</b>	
		<b>2021 S\$'000</b>	<b>2020 S\$'000</b>
<b>Net cash generated from operating activities</b>		8,765	7,162
<b>Investing activities :</b>			
Purchase of property, plant and equipment ("PPE")		(3,575)	(1,191)
Decrease/(Increase) in prepayments for PPE		72	(157)
Proceeds from disposal of PPE		-	98
Additions to intangible assets		(305)	(18)
Proceeds from disposal of other investments		3,960	6,582
Purchase of other investments		(4,791)	(1,780)
Dividend from other investments		106	69
Decrease/(Increase) in bank balance under portfolio investment management		570	(435)
(Increase) /Decrease in structured deposit		(19,271)	2,475
<b>Net cash flows (used in) / generated from investing activities</b>		<b>(23,234)</b>	<b>5,643</b>
<b>Financing activities :</b>			
Proceed from exercise of share options		370	-
Repayment of bank loans		(216)	(10)
Repayment of principal portion of lease liabilities		(2,002)	(1,565)
Dividend paid on ordinary shares by the company		(4,566)	(3,395)
<b>Net cash used in financing activities</b>		<b>(6,414)</b>	<b>(4,970)</b>
<b>Net change in cash and cash equivalents</b>		<b>(20,883)</b>	<b>7,835</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>662</b>	<b>1,216</b>
<b>Cash and cash equivalents as at beginning of period</b>		<b>71,611</b>	<b>42,926</b>
<b>Cash and cash equivalents as at end of period</b>	<b>5(A)(ii)</b>	<b>51,390</b>	<b>51,977</b>

1(d)(i) A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

**Statement of changes in equity**

GROUP	Total Equity S\$'000	Attributable to owners of the Company									
		Share Capital S\$'000	Treasury Shares S\$'000	Retained earnings S\$'000	Share Option Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Statutory reserve S\$'000	Fair value reserve of financial assets at FVOCI S\$'000	Asset Revaluation reserve S\$'000	Gain or loss on reissuance of Treasury shares S\$'000	Total other Reserve S\$'000
<b>2021</b>											
Balance at 1 January 2021	177,945	98,021	(11,739)	84,226	1,192	(1,733)	5,997	195	2,550	(764)	7,437
Profit for 1H'21	7,237	-	-	7,237	-	-	-	-	-	-	-
Other Comprehensive Income											
- Foreign currency translation	2,497	-	-	-	-	2,497	-	-	-	-	2,497
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	30	-	-	-	-	-	-	30	-	-	30
Other comprehensive income	2,527	-	-	-	-	2,497	-	30	-	-	2,527
<b>Total comprehensive Income</b>	<b>9,764</b>	<b>-</b>	<b>-</b>	<b>7,237</b>	<b>-</b>	<b>2,497</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>2,527</b>
Contribution by and distribution to owners											
Treasury shares issued pursuant to employee share option plan	369	-	1,153	-	(157)	-	-	-	-	(627)	(784)
Dividends on ordinary shares	(4,566)	-	-	(4,566)	-	-	-	-	-	-	-
<b>Total contribution by and distribution to owners, representing total transactions with owners in their capacity as owners</b>	<b>(4,197)</b>	<b>-</b>	<b>1,153</b>	<b>(4,566)</b>	<b>(157)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(627)</b>	<b>(784)</b>
Others											
Transfer to statutory reserve ( Note (i) )	-	-	-	(445)	-	-	445	-	-	-	445
<b>Balance at 30 June 2021</b>	<b>183,512</b>	<b>98,021</b>	<b>(10,586)</b>	<b>86,452</b>	<b>1,035</b>	<b>764</b>	<b>6,442</b>	<b>225</b>	<b>2,550</b>	<b>(1,391)</b>	<b>9,625</b>
<b>2020</b>											
Balance at 1 January 2020	160,912	98,021	(11,739)	74,822	827	(7,857)	4,928	124	2,550	(764)	(192)
Profit for 1H'20	3,734	-	-	3,734	-	-	-	-	-	-	-
Other Comprehensive Income											
- Foreign currency translation	2,456	-	-	-	-	2,456	-	-	-	-	2,456
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	(262)	-	-	-	-	-	-	(262)	-	-	(262)
Other comprehensive income	2,194	-	-	-	-	2,456	-	(262)	-	-	2,194
<b>Total comprehensive Income</b>	<b>5,928</b>	<b>-</b>	<b>-</b>	<b>3,734</b>	<b>-</b>	<b>2,456</b>	<b>-</b>	<b>(138)</b>	<b>-</b>	<b>-</b>	<b>2,002</b>
Contribution by and distribution to owners											
- Grant of equity-settled share options to employees	241	-	-	-	241	-	-	-	-	-	241
Dividends on ordinary shares	(3,395)	-	-	(3,395)	-	-	-	-	-	-	-
<b>Total contribution by and distribution to owners, representing total transactions with owners in their capacity as owners</b>	<b>(3,154)</b>	<b>-</b>	<b>-</b>	<b>(3,395)</b>	<b>241</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>241</b>
Others											
Transfer to statutory reserve ( Note (i) )	-	-	-	(394)	-	-	394	-	-	-	394
<b>Balance at 30 June 2020</b>	<b>163,686</b>	<b>98,021</b>	<b>(11,739)</b>	<b>74,767</b>	<b>1,068</b>	<b>(5,401)</b>	<b>5,322</b>	<b>(138)</b>	<b>2,550</b>	<b>(764)</b>	<b>2,204</b>

Note (i): In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the PRC, 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 accumulative 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.

**Statement of changes in equity (Cont'd)**

COMPANY	Total equity S\$'000	Attributable to owners of the Company						
		Issued 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
<b>2021</b>								
<b>Balance as at 1 January 2021</b>	<b>91,673</b>	<b>98,021</b>	<b>(11,739)</b>	<b>4,768</b>	<b>1,192</b>	<b>195</b>	<b>(764)</b>	<b>623</b>
Profit for 1H'21, representing total comprehensive income	849	-	-	849	-	-	-	-
<u>Other Comprehensive Income for the period, net of tax</u>								
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	30	-	-	-	-	30	-	30
<b>Total comprehensive income for the period</b>	<b>879</b>	<b>-</b>	<b>-</b>	<b>849</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>30</b>
<u>Contributions by and distribution to owners</u>								
- Treasury shares reissued pursuant to employee share option plan	369	-	1,153	-	(157)	-	(627)	(784)
- Dividends on ordinary shares	(4,566)	-	-	(4,566)	-	-	-	-
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	<b>(4,197)</b>	<b>-</b>	<b>1,153</b>	<b>(4,566)</b>	<b>(157)</b>	<b>-</b>	<b>(627)</b>	<b>(784)</b>
<b>Balance as at 30 June 2021</b>	<b>88,355</b>	<b>98,021</b>	<b>(10,586)</b>	<b>1,051</b>	<b>1,035</b>	<b>225</b>	<b>(1,391)</b>	<b>(131)</b>
<b>2020</b>								
<b>Balance as at 1 January 2020</b>	<b>91,071</b>	<b>98,021</b>	<b>(11,739)</b>	<b>4,602</b>	<b>827</b>	<b>124</b>	<b>(764)</b>	<b>187</b>
Loss for 1H'20	(1,256)	-	-	(1,256)	-	-	-	-
<u>Other Comprehensive Income for period, net of tax</u>								
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	(262)	-	-	-	-	(262)	-	(262)
<b>Total comprehensive income for the period</b>	<b>(1,518)</b>	<b>-</b>	<b>-</b>	<b>(1,256)</b>	<b>-</b>	<b>(262)</b>	<b>-</b>	<b>(262)</b>
<u>Contributions by and distribution to owners</u>								
- Grant of equity-settled share options to employees	241	-	-	-	241	-	-	241
- Dividends on ordinary shares	(3,395)	-	-	(3,395)	-	-	-	-
<b>Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners</b>	<b>(3,154)</b>	<b>-</b>	<b>-</b>	<b>(3,395)</b>	<b>241</b>	<b>-</b>	<b>-</b>	<b>241</b>
<b>Balance as at 30 June 2020</b>	<b>86,399</b>	<b>98,021</b>	<b>(11,739)</b>	<b>(49)</b>	<b>1,068</b>	<b>(138)</b>	<b>(764)</b>	<b>166</b>

1(d)(ii) 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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 end of the current financial period reported on and as at the end of the correspondence period of the immediate preceding financial year.

(a) Share Capital

	As at 30 June 2021		As at 31 December 2020	
	No. of Shares	Amount S\$'000	No. of Shares	Amount S\$'000
Number of issued ordinary shares	246,656,428	98,021	246,656,428	98,021

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

	As at 30/6/2021	As at 30/6/2020
Options granted under the InnoTek Employees' Share Option Scheme II **	8,000,000	10,000,000

\*\* On 13 January 2021, Mr. Lou Yiliang exercised 2,000,000 of his share options and 2,000,000 treasury shares were issued, increasing the total number of issued shares net of treasury shares to 228,305,428 from 226,305,428.

(c) Treasury Shares

	No. of Shares	Amount S\$'000
Balance as at 30 June 2020	20,351,000	11,739
Treasury shares reissued to Mr. Lou Yiliang on 13 January 2021	(2,000,000)	(1,153)
Balance as at 30 June 2021	18,351,000	10,586

1(d)(iii) 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.

	As at 30/6/2021		As at 30/6/2020	
	No of shares '000	S\$'000	No of shares '000	S\$'000
Total number of issued shares at the end of period	246,656	98,021	246,656	98,021
Number of Treasury Shares at the end of period	(18,351)	(10,586)	(20,351)	(11,739)
Net number of issued shares at the end of period	228,305	87,435	226,305	86,282

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of Treasury Shares as at the end of the current financial period reported on.

On 13 January 2021, Mr. Lou Yiliang exercised 2,000,000 of his share options and 2,000,000 treasury shares were Issued to him.

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

None

## 1(e) Notes to the consolidated 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 160 Robinson Road, #24-12 SBF Center, Singapore 068914. 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 of 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 audited financial statements which were prepared in accordance with SFRS(I), except for changes, if any, as set out in Note 2.1.

The *interim* consolidated 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. The consolidated financial statements are prepared in Singapore dollars 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.

There are no new accounting standards adopted by the Group, no changes in the accounting policies and method of computation.

#### 2.2 Uses of judgements and estimates

The preparation of the Group’s *interim* 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.

- **Fair value of investment properties**

Investment properties are valued only once at the end of each financial year unless unfavorable economic situations warrant a special valuation exercise. In preparing the *interim* consolidated financial statements, it is assumed that the fair value of investment properties does not change as at the end of the previous financial year-end.

- **Impairment/reversal 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. Such reviews will only be done at the end of each financial year unless unfavorable circumstances warrant a special review exercise in the preparation of the *interim* consolidated financial statements.

### 3. Seasonal operations

The Group’s businesses are generally affected by the long Chinese New Year and China Labor Days holidays in China during the first half of each financial year.

### 4. Segment and revenue information

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

- I. The precision components and tooling segment specialises in sales of stamping components, tooling design and fabrication.
- II. The precision machining segment specialises in the machining of products mainly from the TV and office automation Industries.
- III. The corporate and others segment is involved in 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.

#### 4.1 Reportable Segments

##### By Business Segment (Group Figures S\$'000)

	Mansfield								Corporate and Others		Elimination		Per consolidated financial statements	
	Precision Components and Tooling		Precision Machining		Adjustments and eliminations		Total							
	1H'21	1H'20	1H'21	1H'20	1H'21	1H'20	1H'21	1H'20	1H'21	1H'20	1H'21	1H'20	1H'21	1H'20
<b>Business Segments</b>														
<b>Revenue</b>														
External customers	64,318	56,732	19,983	22,973	-	-	84,301	79,705	-	-	-	-	84,301	79,705
Inter-segment	24,829	20,369	7,793	11,169	(32,622)	(31,539)	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>89,147</b>	<b>77,102</b>	<b>27,776</b>	<b>34,142</b>	<b>(32,622)</b>	<b>(31,539)</b>	<b>84,301</b>	<b>79,705</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,301</b>	<b>79,705</b>
<b>Results</b>														
External interest income	250	419	9	10	-	-	259	429	248	311	-	-	507	740
Inter-segment interest income	-	-	-	-	-	-	-	-	-	248	-	(248)	-	(0)
Inter-segment interest expense	-	(248)	-	-	-	-	-	(248)	-	-	-	248	-	-
Depreciation and amortisation property investments	(3,638)	(3,678)	(1,717)	(1,226)	-	-	(5,355)	(4,904)	(25)	(27)	-	-	(5,380)	(4,931)
(Loss)/Gain on disposal of PPE	-	72	-	(17)	-	-	-	55	-	-	-	-	-	55
Foreign currency gain/(loss)	(295)	51	(16)	(17)	-	-	(311)	34	247	448	-	-	(64)	482
Reversal of impairment loss on PPE	-	0	-	-	-	-	-	0	-	-	-	-	-	0
Rental income	610	239	786	798	-	-	1,396	1,037	-	-	-	-	1,396	1,037
Share of joint venture profit	(178)	(59)	-	-	-	-	(178)	(59)	-	-	-	-	(178)	(59)
Finance cost	(1,092)	(1,189)	(45)	-	-	-	(1,137)	(1,189)	(1)	-	-	-	(1,138)	(1,189)
Other non cash expenses	(50)	(51)	-	(381)	-	-	(50)	(432)	420	(1,752)	-	-	370	(2,185)
Inter-segment dividend income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment profit before tax	3,674	1,023	1,384	5,307	-	-	5,058	6,330	206	(1,457)	-	-	5,264	4,873
Income tax expense	-	334	1,330	(1,440)	-	-	1,330	(1,106)	643	(33)	-	-	1,973	(1,139)
<b>Assets</b>														
Investment in joint venture	1,505	1,483	-	-	-	-	1,505	1,483	-	-	-	-	1,505	1,483
Additions to non-current assets	3,653	410	-	839	-	-	3,653	1,249	1	1	-	-	3,654	1,250
<b>Segment assets</b>	<b>147,370</b>	<b>137,999</b>	<b>70,199</b>	<b>64,882</b>	<b>-</b>	<b>-</b>	<b>217,569</b>	<b>202,881</b>	<b>41,858</b>	<b>34,255</b>	<b>-</b>	<b>-</b>	<b>259,427</b>	<b>237,136</b>
<b>Liabilities</b>	<b>64,164</b>	<b>61,805</b>	<b>11,188</b>	<b>10,501</b>	<b>-</b>	<b>-</b>	<b>75,352</b>	<b>72,306</b>	<b>564</b>	<b>1,143</b>	<b>-</b>	<b>-</b>	<b>75,916</b>	<b>73,449</b>

#### 4.2 Revenue and Non-Current Assets By Geographical Location (Group Figures S\$'000)

	Revenue		Non-current Assets	
	6-month Ended		As at	
	30-Jun-21	30-Jun'20	30-Jun-21	30-Jun'20
	S\$'000	S\$'000	S\$'000	S\$'000
Hong Kong/PRC	82,344	78,196	79,337	76,537
Thailand	1,957	1,509	5,067	5,701
Singapore	-	-	126	40
<b>Total</b>	<b>84,301</b>	<b>79,705</b>	<b>84,530</b>	<b>82,278</b>

Non-current assets consist of property, plant and equipment (PPE), right-of-use assets, investment properties, intangible assets, investment in joint venture, deposit paid for PPE and non-current other receivables as presented in the balance sheet.

#### 5. Financial assets and financial liabilities

	Note	Group		Company	
		As at 30-Jun-21 S\$'000	As at 31-Dec-20 S\$'000	As at 30-Jun-21 S\$'000	As at 31-Dec-20 S\$'000
<b>(A) Financial Assets</b>					
<b>(i) Other investment</b>					
<u>At fair value through profit or loss (FVPL)</u>					
Equity securities (quoted)		6,920	5,591	6,920	5,591
Unquoted structured deposits		19,291	21	-	-
<u>At fair value through other comprehensive income (FVOCI)</u>					
Debt securities		12,857	12,918	12,857	12,918
		<b>39,068</b>	<b>18,530</b>	<b>19,777</b>	<b>18,509</b>
<b>(ii) Cash and short-term deposit</b>					
Cash and bank balance		37,942	55,282	11,629	9,075
Fixed deposit		13,448	16,329	9,194	11,606
Cash and cash equivalents per cashflow statements	* (1)	51,390	71,611	20,823	20,681
Cash and bank balance under investment portfolio		1,094	1,663	1,094	1,663
<b>Total Cash and short-term deposit per balance sheet</b>		<b>52,484</b>	<b>73,274</b>	<b>21,917</b>	<b>22,344</b>

\*(1) The decrease in cash and cash equivalents from 31 December 2020 was due to purchase of Fixed Assets, payment of dividend to shareholder in May 2021, and transfer of excess cash to structured deposits to earn higher interest

#### (B) Financial Liabilities

Below showed the aggregate amount of Group's borrowings and debt securities

	Note	Group		Company	
		As at 30-Jun-21 S\$'000	As at 31-Dec-20 S\$'000	As at 30-Jun-21 S\$'000	As at 31-Dec-20 S\$'000
<b>Amount repayable in one year or less, on demand</b>					
Finance lease - secured	(1)	3	10	-	-
Lease liabilities		4,070	3,957	24	10
Total lease liabilities		4,073	3,967	24	10
Bank loan - secured	(2)	419	441	9	-
		<b>4,492</b>	<b>4,408</b>	<b>33</b>	<b>10</b>
<b>Amount repayable after one year</b>					
Lease liabilities		16,554	17,753	-	-
Bank loan - secured	(2)	944	1,213	103	-
		<b>17,498</b>	<b>18,966</b>	<b>103</b>	<b>-</b>
<b>Total</b>		<b>21,990</b>	<b>23,374</b>	<b>136</b>	<b>10</b>

#### Details of any collateral

- Secured borrowing as at 30 June 2021 are finance leases for certain items of motor vehicles amounting to S\$3,000 (31 December 2020 : S\$10,000)
- The THB40 million (S\$1.8 million) bank loan was secured against the Thailand Factory. As at December 2020, the loan was fully drawdown and quarterly repayment commenced in November 2020 over a period of 4 years. As at end of June 2021, three repayments of THB7.5million(S\$325K) has been paid.

6. Significant items and major variances explanations relating to:

6.1 Profit before Tax

	Note	6 Months Ended	
		2021	2020
		30-Jun	
		S\$'000	S\$'000
(a) Major items included in cost of sales are :			
- Inventories recognised as an expense in cost of sales	6.1(d)	(35,444)	(31,903)
- Provision for inventory obsolescence		(50)	(432)
- Depreciation of property, plant and equipment ("PPE")		(1,926)	(2,031)
- Depreciation of right-of-use assets	6.1(e)	(2,098)	(1,791)
- Wages and salaries	6.1(f)	(15,968)	(13,229)
(b) Major items included in administrative expenses are :			
- Depreciation of PPE		(842)	(667)
- Amortisation of intangible assets		(79)	(47)
- Depreciation of right-of-use assets		(435)	(395)
- Rental expense		(94)	(136)
- Wages and salaries		(6,445)	(6,529)
(c) Major items included in other expenses and other income are :			
- Items related to Investment Portfolio			
Fair value("FV") gain / (loss) for equities		425	(669)
FV loss/(gain) for Bonds (through other comprehensive income) *		30	(262)
Net loss on disposal of other investments		(5)	(843)
Dividend income from other investment		106	69
Interest income from investment bonds		232	297
Total gain/(loss) for Investment Portfolio		788	(1,408)
* FV( loss)/gain of debt instruments through other comprehensive income		(30)	262
Gain/(loss) for Investment Portfolio through Income Statement		758	(1,146)
- Foreign currency (loss)/gain	6.1(g)	(64)	482
- Write-back of expected credit losses	6.1(h)	-	356
- Property rental income	6.1(i)	1,396	1,037
- Rental expense rebate		-	200

(d) Higher inventory expense mainly due to higher material costs and changes in Auto sales mix, resulting in higher material content.

(e) Higher depreciation of right-of-use assets due to signing of additional lease agreement by Magix Dongguan in April 2020.

(f) Wages and salaries were higher mainly due to higher sales in 1H'21 as compared to lower sales and plant shutdown in 1H'20 amidst COVID-19 pandemic, increase temporary workers and overtime work to meet customers' demand for inventory for the CNY holidays in 2021. In addition, the in-house anodizing launched by Magix also led to higher wages and salaries.

(g) 1H'20 exchange gain was mainly due to strengthening of HK\$ against S\$ for the InnoTek HK\$ loan to MSF HK which was repaid to InnoTek in June 2020 which was converted into US\$.

(h) write back of expected credit losses in 1H'20 due to a long outstanding receivable from a tooling customer due to quality issue that was resolved in April 2020 and payment received.

(i) Higher rental income in 1H'21 due mainly to Suzhou ability to rent out one of its industry building in August 2020, which rental was terminated by lessee in advance on 31 December 2019.

## 6.2 Balance Sheet

(a) Lower Trade and other receivable mainly due to lower sales of the corresponding period and better credit control.

## 7. Taxation

The Group make or adjust the tax provision for the period income tax based on the relevant tax rate applied to the period earnings. The major components of income tax expense in the Consolidated Statement of Comprehensive income are:

GROUP	Note	6 Months Ended 30-Jun	
		2021 S\$'000	2020 S\$'000
Current income tax credit/(expense)	(a)	1,330	(1,142)
Deferred income tax credit	(b)	643	3
<b>Total tax credit/(expense)</b>		<b>1,973</b>	<b>(1,139)</b>

- (a) Reversal of tax provided in year 2020 as Magix Dongguan was successful in its application and awarded the high technology concessionary rate of 15% for 3 years starting 2020 by the Dongguan Provincial Government agencies in May 2021. Also there was a tax deduction of HK\$2.0 million (S\$0.3 million) awarded to Magix Dongguan for R&D expenses.
- (b) Reversal of deferred income tax as InnoTek's interest income from MSF HK not remitted back to Singapore and used to pay InnoTek shareholders in May 2021 are tax exempted.

## 8. Dividend paid

GROUP	6 Months Ended 30-Jun	
	2021	2020
Ordinary dividends paid (S\$'000)	4,556	3,395
Dividend per share (net of tax) in S\$	0.020	0.015

## 9. Earning and Net assets value per ordinary share

### 9.1 Earning 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

Earning per ordinary share of the Group based on net earnings attributable to the shareholders of the Company :	6 Months Ended 30-June	
	2021	2020
(i) Based on the weighted average number of shares ( in cents )		
Earning per share	3.17	1.65
Weighted average number of shares ( '000)	228,173	226,305
(ii) On a fully diluted basis ( in cents )		
Earning per share	3.12	1.64
Adjusted weighted average number of shares ( '000)	231,866	227,617

### 9.2 Net assets value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on; (b) immediately preceding financial year

	Group		Company	
	As at 30-Jun-21	As at 31-Dec-20	As at 30 Jun-21	As at 31-Dec-20
Net asset backing per ordinary share based on the total number of issued share excluding treasury shares as at the end of the period reported on	80.4 cents	78.6 cents	38.7 cents	40.5 cents

## 1(f) Other Information Required by Listing Rule Appendix 7.2

1. Whether the figures have been audited, or reviewed and in accordance with the standard (e.g. The Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard).

The figures have not been audited or reviewed by auditors.

- 1.1 Whether the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

The figures have not been audited or reviewed by auditors.

- 1.1.A. 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 outstanding audit issues (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

There is no adverse opinion, qualified opinion or disclaimer of opinion.

2. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group business. The review must discuss any significant factors that affected the turnover costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital assets or liabilities of the Group during the current financial period reported on.

### Review for the Quarter ended 30 June 2021 (1H'21)

#### Turnover (1H'21 vs 1H'20)

The Group's revenue for the January-to-June 2021 ("1H'21") increased S\$4.6 million or 5.8% to S\$84.3 million from S\$79.7 million in 1H'20. The sales growth was mainly due to:

- (1) Revenue increased significantly for Auto products in 1H'21 compared to 1H'20, continuing its recovery trend in the second half of 2020 after the outbreak of COVID-19 in China was put under control. But the growth started to slow down in late 1H'21 due to the shortage of chips and other electronic components.
- (2) Demand for OA products in 1H'20 was affected by COVID-19 pandemic and the global economic slowdown in 2020. The demand for OA products began to recover at a slower pace, resulted in higher revenue for OA products in 1H'21 as compared to 1H'20.
- (3) The revenue for TV and Display products declined in 1H'21 compared to 1H'20, The lower revenue came mainly from TV back panel. This was because we decided not to pursue the low-margin large size TV back panel business. However, sales of larger size TV bezel have maintained at a certain level. The higher revenue in 2020 was mainly due to stay-at-home restrictions during the COVID-19 pandemic. But it is expected that this demand will weaken in 2021.

#### Net Profit (1H'21 vs 1H'20)

InnoTek Group 1H'21 profit was S\$7.2 million, favorable by S\$3.5 million compared to the profit of S\$3.7 million in 1H'20 due mainly to:

##### Favorable variance

- (a) Income Tax favourable by S\$3.1 million (refer to Note 1(e)7).
- (b) Net gain from investment portfolio in 1H'21 was S\$0.8 million compared to a loss of S\$1.1 million in 1H'20. The favourable variance of S\$1.9 million was due to improved financial market condition with COVID-19 pandemic recovery began in second half of 2020. (Refer to 6.1(c)).
- (c) MSF's gross profit ("GP") increased to S\$17.7 million compared to S\$17.1 million in 1H'20. However, the GP margin dropped to 21.0% in 1H'21 from 21.4% in 1H'20, The higher GP was driven by higher sales, while the lower GP margin was due to increase in raw material prices, increase in labour (refer to Note 6.1(f)) and the increase in lease expenses (refer to Note 6.1(e)).

## **Net Profit ( 1H'21 vs 1H'20) - Cont'd**

### Offset by Unfavourable variance

- (d) Exchange loss in 1H'21 as compared to exchange gain in 1H'20 (refer to Note 6.1(g)).
- (e) Higher selling and distribution expenses was mainly due to increase in shipping cost.
- (f) Higher administrative expenses were mainly due to higher level of business activities in 1H'21 compared to 1H'20.
- (g) Write back of expected credit loss in 1H'20 not repeated in 1H'21 (refer to Note 6.1(h)).

### **3. A forecast, or projected statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast, or projected statement has been previously disclosed to shareholders.

### **4. 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**

Although China has shown its resilience to contain the COVID-19 pandemic, its economic recovery has taken a setback due to the global economic stagnation caused by the unabating spread of the outbreak. Due to the ongoing supply chain issues, the Group expects prices for raw materials to rise, and shortage in electronic components parts (including IC chips) to continue. This will affect our sales and production while delays or disruptions in import and export by sea are expected to translate into higher logistics-related costs.

The market demand for OA products (especially for large copier) is recovering slowly in 2021. In order to stay relevant, we will continue to strive to understand and meet our customers' needs and take on their demand for small batches and more varieties. Meanwhile, we will seek to improve the value chain and expand our operation from single-part manufacturing to provide parts assembly.

According to the IHS Markit report, automobiles will maintain a certain growth in both China and the overseas markets in the next few years. Within China, the number of vehicles is likely to increase from 23.7 million units in 2020 to 28 million units by 2023. Additionally, the EV (electric vehicle) sector in China has developed very impressively. These trends present an opportunity for us to work closely with our customers to expand our market share in Auto business and our effort to break into the market of EV. However, Auto business growth will be affected by the shortage of chips and other electronic components.

With regard to the TV/Display products business, the Group expects the demand brought about by stay-at-home restrictions amid the pandemic in 2020 will weaken in 2021. The Group will continue to work closely with its customers to support their demand for large size TV bezel (over 65 inches) and will actively strive for new customers, both domestically and globally.

Our subsidiary in Thailand, Mansfield Thailand, has secured orders for OA and Auto products. However, due to the ongoing spread of COVID-19 in the area, the production has been disrupted. We are currently integrating various resources across the entire group to support the business of Mansfield Thailand.

The Group will continue to implement cost control measures and invest in production automation to remain competitive in the face of rising operational costs in China. As domestic competition remains intense, the Group continues to refine QCDS (quality, cost, delivery and service) while striving to improve the value chain. We strive to expand our customer base, both domestically and overseas, and to diversify our range of products with high added value.

### **5. Dividend**

#### **(a) Current Financial Period Reported On**

Any dividend declared for the present financial period? No

#### **(b) Corresponding period of the Immediate Preceding Financial Year**

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

#### **(c) Date payable**

Not applicable

#### **(d) Books closing date**

Not applicable

#### **5.1 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.

6. **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 Rule 705.**

Interested parties transactions for the 6 months ended 30 June 2021

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> ) S\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S\$
Dongguan Konka Mould Plastic Co., Ltd	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 29.61%	335,535	N/A
Wuhan Grand Mould Plastic Co. Ltd	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 29.61%	434,951	N/A
All Brilliant Ltd	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 62.5%	7,814	N/A
Auhui KM Technology	Mr. Lou Yiliang, CEO of InnoTek Limited has an indirect interest of 15.1%	161,486	N/A

The company does not obtain any shareholders' general mandate for interested person transactions.

7. **Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)**

The directors confirmed 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 of the Group for the six months ended 30 June 2021 to be false or misleading in any material aspects.

8. **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 the undertakings under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

Signed by Neal Manilal Chandaria, Chairman and Lou Yiliang, Chief Executive Officer

BY ORDER OF THE BOARD

Lou Yiliang  
Chief Executive Officer  
12 August 2021

