

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF HALF YEAR and FULL YEAR, RESULTS

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
 For the Half Year ended 30 June 2020

Group	Note	First Half Year Ended		Change %
		30-Jun		
		2020 S\$'000	2019 S\$'000	
Revenue		79,705	89,327	(10.8)
Cost of sales	1(a)(i)(a)	(62,626)	(69,398)	(9.8)
Gross profit		17,079	19,929	(14.3)
Other items of expense				
Selling and distribution		(1,598)	(1,608)	(0.6)
Administrative expense	1(a)(i)(b)	(11,061)	(12,370)	(10.6)
Finance cost	1(a)(i)(j)	(1,189)	(62)	NM
Other expenses	1(a)(i)(c)	(1,511)	(4)	NM
Share of results of joint venture		(59)	(114)	NM
Total other item of expenses		(15,418)	(14,158)	8.9
Other items of income				
Interest income		740	528	40.2
Other income		2,472	2,821	(12.4)
Total other items of income	1(a)(i)(c)	3,212	3,349	(4.1)
Profit before tax		4,873	9,120	(46.6)
Income tax expense		(1,139)	(1,392)	(18.2)
Profit for the period attributable to owners of the company		3,734	7,728	(51.7)
Other comprehensive income :				
<u>Items that may be classified subsequently to profit or loss</u>				
- Foreign currency translation		2,456	(1,060)	(331.7)
- Fair value loss on financial assets measured at fair value through other comprehensive income	1(a)(i)(c)	(262)	-	NM
Other comprehensive income for the period , net of tax		2,194	(1,060)	(307.0)
Total comprehensive income for the period attributable to owners of the Company		5,928	6,668	(11.1)
Earnings per share attributable to owners of the Company (cents per share)				
Basic	Para 6	1.65	3.41	(51.6)
Diluted	Para 6	1.64	3.38	(51.5)
NM denotes Not Meaningful				

Notes to Group Consolidated Statement of Comprehensive Income

1(a) (i) Profit for the period is arrived at after (charging) / crediting the following items:

	Note	First Half Year Ended	
		2020	2019
		S\$'000	S\$'000
(a) Major items included in cost of sales are :			
- Inventories recognised as an expense in cost of sales		(31,903)	(35,957)
- (Net allowance) / write-back for inventory obsolescence		(432)	151
- Depreciation of property, plant and equipment ("PPE")		(2,031)	(1,836)
- Depreciation of right-of-use assets	1(a)(i)(j)	(1,791)	(232)
- Rental expense	1(a)(i)(j)	-	(1,219)
- Wages and salaries	1(a)(i)(d)	(13,229)	(14,390)
(b) Major items included in administrative expenses are :			
- Depreciation of PPE		(667)	(683)
- Amortisation of intangible assets		(47)	(50)
- Depreciation of right-of-use assets	1(a)(i)(j)	(395)	(134)
- Rental expense	1(a)(i)(j)	(136)	(642)
- Wages and salaries	1(a)(i)(e)	(6,529)	(6,627)
(c) Major items included in other expenses and other income are :			
- Items related to Investment Portfolio :			
Fair value ("FV") (loss) / gain for equities		(669)	343
Fair value ("FV") (loss) / gain for bonds		(262)	86
Net (loss)/gain on disposal of other investments		(843)	27
Dividend income from other investments		69	80
Interest income from investment bonds		297	172
Subtotal		(1,408)	708
FV loss of debt instruments through other comprehensive income		262	-
Net (loss)/profit for Investment Portfolio		(1,146)	708
- Foreign currency gain	1(a)(i)(f)	482	106
- Write-back of / (allowance for) expected credit losses	1(a)(i)(g)	356	(4)
- Property rental income	1(a)(i)(h)	1,037	1,550
- Rental expense rebate	1(a)(i)(i)	200	-
Non-recurring items:			
- Write-back of impairment loss on PPE	1(a)(i)(k)	-	149
(d) 1H'20 wages and salaries in cost of sales were lower mainly due to lower direct and indirect labour headcount, lower overtime with COVID-19 pandemic plant shutdown period in February/March 2020 and lower bonus expense.			
(e) 1H'20 general and administration wages and salaries were lower mainly due to lower administration headcount.			
(f) The exchange gain was mainly due to strengthen of HK\$ against S\$ for the InnoTek HK\$ loan to Mansfield HK. Mansfield HK repaid the loan fully in June 2020.			
(g) Write-back of expected credit losses provided in 2018 relating to a long outstanding receivable from a tooling customer due to quality issues that were resolved in April 2020 and payment received.			
(h) Lower rental income as the lease of one of the Suzhou block was terminated on 31 December 2019.			
(i) 50% rental rebate was given by Suns Mansfield and Feng Chuan Dongguan landlord in March 2020 due to Covid-19. This was charged to other income as the rental expense was charged to depreciation of right-of-use assets and interest on lease liabilities under SFRS(I) 16.			
(j) A new rental agreement was signed in December 2019 effective 1 January 2020. Under SFRS(I)16, S\$22.4 million was capitalised under right-of-use assets as at 31 December 2019 with a corresponding amount charged to lease liabilities. This resulted in higher depreciation of right-of-use assets and corresponding interest on operating lease liabilities which was charged into finance cost in 1H'20 profit and loss accounts amounting to S\$1,183,000 (1H'19 = S\$60,000). In 2019, it was considered as rental expense as the old rental agreement term ended in less than 12 months and considered as short-term lease allowed under SFRS(I)16.			
(k) Write-back in 2019 relates to Suzhou plant which rented out a portion of the excess space.			

1(b) (i) 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-20 S\$'000	As at 31-Dec-19 S\$'000	As at 30-Jun-20 S\$'000	As at 31-Dec-19 S\$'000
Non-current Assets					
Property, plant and equipment		28,152	29,133	10	15
Investment properties		27,924	27,391	-	-
Intangible assets		278	300	-	-
Investment in subsidiary		-	-	47,061	47,061
Investment in joint venture		1,483	1,519	-	-
Right-of-use assets		22,821	25,250	30	51
Prepayments for property, plant and equipment		613	456	-	-
Other receivables		1,620	1,417	-	-
Deferred tax assets		713	692	-	-
		83,604	86,158	47,101	47,127
Current Assets					
Inventories		21,874	25,220	-	-
Trade and other receivables	A	56,362	58,656	6,242	5,847
Contract assets		1,769	1,467	-	-
Loan to subsidiary	B	-	-	-	13,500
Prepayments		376	272	14	47
Other investments	C	19,663	28,742	17,693	24,297
Cash and short-term deposits	D	53,486	43,999	16,492	1,664
		153,530	158,356	40,441	45,355
Total Assets		237,134	244,514	87,542	92,482
Current Liabilities					
Lease liabilities	1(b)(ii)	3,333	3,193	21	41
Trade and other payables	E	42,240	52,019	420	701
Contract liabilities		2,944	1,922	-	-
Provisions		5	5	-	-
Income tax payable		4,080	3,711	49	16
		52,602	60,850	490	758
Net Current Assets		100,928	97,506	39,951	44,597
Non-current Liabilities					
Provisions		473	474	-	-
Lease liabilities	1(b)(ii)	18,406	20,333	10	10
Loan and borrowings	1(b)(ii)	225	224	-	-
Deferred tax liabilities		1,742	1,721	643	643
		20,846	22,752	653	653
Total Liabilities		73,448	83,602	1,143	1,411
Net Assets		163,686	160,912	86,399	91,071
Equity attributable to owners of the Company					
Share capital		98,021	98,021	98,021	98,021
Treasury shares		(11,739)	(11,739)	(11,739)	(11,739)
Retained earnings		74,767	74,822	(49)	4,602
Other reserves		2,637	(192)	166	187
Total Equity		163,686	160,912	86,399	91,071

Notes to Group Balance Sheet

- A Despite decrease in sales, trade and other receivables remain relatively high due mainly to a China entity delay in sales verification with a major customer for some invoices during the COVID-19 factory shutdown in February 2020. All the affected invoices were settled after the 1H'20 balance sheet reporting date.
- B The loan from InnoTek to Mansfield Manufacturing Company Limited was fully repaid in June 2020.
- C The breakdown of other investments is as follows:

Group	As at 30-Jun-20 S\$'000	As at 31-Dec-19 S\$'000
At FV through profit or loss - Equities securities (quoted)	3,845	7,678
At FV through other comprehensive income - Debt securities (quoted)	13,848	16,619
Total Investment portfolio (*)	17,693	24,297
Structured deposits (**)	1,970	4,445
Total	19,663	28,742

* These are quoted equities, trusts and bonds securities held for trading and managed by a financial institution in Singapore. The fair value was computed based on the last transacted bid prices on the stock exchange or in active markets at the end of the reporting period. The reduction was mainly due to their fair value loss amounting to S\$1.8 million as a result of COVID-19 pandemic. Besides there was withdrawal of S\$4.4 million for payment of dividend in June 2020 and Innotek company operational use.

** These are less than 3 months' tenor short-term deposit placed with PRC established banks. The reduction of S\$2.5 million was due to deposits maturing at end of June 2020 resulting in the increase in cash and short-term deposits

- D Increase in cash and short-term deposit was mainly due to movement back of fund from maturing short-term structured deposit under other investment, cash generated from operation, cash transferred from investment portfolio offset payment of dividend in June 2020.
- E Decrease in trade payables was mainly relating to the reduction in purchase in line with lower sales for 1H'20 compared to 1H'19.

1(b)(ii) Aggregate amount of Group's borrowings and debt securities

	Note	As at 30-Jun-20 S\$'000	As at 31-Dec-19 S\$'000
Amount repayable in one year or less, on demand			
- Finance lease - secured	(1)	13	16
- Operating lease liabilities		3,320	3,177
		3,333	3,193
Amount repayable after one year			
- Finance lease - secured	(1)	4	10
- Operating lease liabilities		18,402	20,323
Total lease liabilities		18,406	20,333
Bank Loan - secured	(2)	225	224
		18,631	20,557
Total Borrowing		21,964	23,750

Details of any collateral

- (1) The secured finance lease as at 31 December 2019 are finance leases for certain items of motor vehicles amounting to S\$17,000 (31 December 2019: S\$26,000).
- (2) The bank loan facility was revised to THB 40 million (S\$1.8 million) from THB 50 million subsequent to yearend and was secured against the Thailand factory. As at 30 June 2020, only THB 5 million (S\$225,000) was drawdown. The holding company, Mansfield Manufacturing Company Limited will be providing additional loan to Mansfield Thailand (TLM) to ensure TLM is in compliance with the financial covenant.

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	First Half Year Ended 30-Jun	
		2020 S\$'000	2019 S\$'000
Operating activities :			
Profit before tax		4,873	9,120
Adjustment items	G	7,292	1,089
Operating cash flows before changes in working capital		12,165	10,209
Changes in working capital , excluding changes relating to cash		(3,740)	937
Cash flows from operations		8,425	11,146
Interest paid for operating lease	1(a)(i)(j)	(1,183)	(60)
Net interest income received		762	538
Net tax paid		(842)	(2,484)
Net cash generated from operating activities		7,162	9,140
Investing activities :			
Purchase of property, plant and equipment ("PPE")		(1,191)	(1,006)
Increase in prepayments for PPE		(157)	(263)
Proceeds from disposal of PPE		98	227
Additions to intangible assets		(18)	(39)
Proceeds from disposal of other investments		6,582	2,693
Purchase of other investments		(1,780)	(3,662)
Dividend from other investments		69	80
Increase in bank balance under portfolio investment management		(435)	(1,728)
Decrease/(increase) in structured deposit		2,475	(9,536)
Net cash generated from/(used in) investing activities		5,643	(13,234)
Financing activities :			
Dividend paid on ordinary shares by the company		(3,395)	(3,395)
Repayment of obligation under finance lease		(10)	(16)
Payment of principal portion of operating lease liabilities		(1,565)	(315)
Net cash flows used in financing activities		(4,970)	(3,726)
Net increase/(decrease) in cash and cash equivalents		7,835	(7,820)
Effect of exchange rate changes on cash and cash equivalents		1,216	(165)
Cash and cash equivalents as at beginning of period		42,926	33,980
Cash and cash equivalents as at end of period		H 51,977	25,995

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

G Details of adjustment items as follows:

GROUP	Note	First Half Year Ended 30-Jun	
		2020 S\$'000	2019 S\$'000
Depreciation of property, plant and equipment (PPE)		2,698	2,519
Amortisation of intangible assets		47	50
Depreciation of right-of-use assets	1(a)(i)(j)	2,186	366
Net gain on disposal of PPE		(54)	(11)
Net loss/(gain) on disposal of other investments		843	(26)
Reversal of impairment loss on PPE		-	(149)
Share -based payments		241	116
(Write-back) / net allowance for expected credit losses		(356)	4
Net fair value loss / (gain) on investment securities measured at fair value through profit or loss		669	(429)
Interest expense		1,189	62
Interest income		(740)	(528)
Net allowance for inventory obsolescence		432	(151)
Exchange differences		157	(763)
Share of results of joint venture		59	114
Net reversal of provisions		(10)	(5)
Dividend income from other investments		(69)	(80)
Total		7,292	1,089

H For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise:

GROUP	As at 30 June	
	2020 S\$'000	2019 S\$'000
Cash at bank and on-hand balances	36,001	25,894
Cash at bank under portfolio investment management	1,509	2,397
Fixed deposits	15,976	101
Cash and short-term deposit per balance sheet	53,486	28,392
Less : Cash at bank under portfolio investment management	(1,509)	(2,397)
Cash and cash equivalents per cashflow statement	51,977	25,995

* The increase in cash and cash equivalents from 30 June 2019 to 30 June 2020 was mainly due to cash generated from operation and funds from maturing of short-term structured deposit under other investment, offset by increase in investment securities in investment portfolio, dividend paid in June 2020 and purchase of PPE.

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
2020											
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 for 1H'20, net of tax											
- 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 for 1H'20	2,194	-	-	-	-	2,456	-	(262)	-	-	2,194
Total comprehensive Income	5,928	-	-	3,734	-	2,456	-	(262)	-	-	2,194
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)	-	-	-	-	-	-	-
Total contribution by and distribution to owners, representing total transactions with owners in their capacity as owners	(3,154)	-	-	(3,395)	241	-	-	-	-	-	241
Others											
Transfer to statutory reserve (Note (i))	-	-	-	(394)	-	-	394	-	-	-	394
Balance at 30 June 2020	163,686	98,021	(11,739)	74,767	1,068	(5,401)	5,322	(138)	2,550	(764)	2,637

Statement of changes in equity (cont'd)

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	Revaluation reserve S\$'000	Gain or loss on reissuance of Treasury shares S\$'000	Total other Reserve S\$'000
2019										
Balance at 1 January 2019	149,596	98,021	(11,739)	62,921	521	(4,182)	3,566	1,252	(764)	393
Profit for 1H'19	7,728	-	-	7,728	-	-	-	-	-	-
Other Comprehensive Income for the year, net of tax										
Foreign currency translation	(1,060)	-	-	-	-	(1,060)	-	-	-	(1,060)
Total comprehensive Income for 1H'19	6,668	-	-	7,728	-	(1,060)	-	-	-	(1,060)
Contribution by and distribution to owners										
Grant of equity-settled share options to employees	116	-	-	-	116	-	-	-	-	116
Dividends on ordinary shares	(3,395)	-	-	(3,395)	-	-	-	-	-	-
Total contributions by and distribution to owners, representing total transactions with owners in their capacity as owners	(3,279)	-	-	(3,395)	116	-	-	-	-	116
Others										
Transfer to statutory reserve (Note (i))	-	-	-	(715)	-	-	715	-	-	715
Balance at 30 June 2019	152,985	98,021	(11,739)	66,539	637	(5,242)	4,281	1,252	(764)	164

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
2020								
Balance at 1 January 2020	91,071	98,021	(11,739)	4,602	827	124	(764)	187
Loss for 1H'20	(1,256)	-	-	(1,256)	-	-	-	-
Other comprehensive Income for the year, net of tax								
Fair value loss in financial assets measured at fair value through other comprehensive income ("FVOCI")	(262)	-	-	-	-	(262)	-	(262)
Total comprehensive income	(1,518)	-	-	(1,256)	-	(262)	-	(262)
<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)	-	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	(3,154)	-	-	(3,395)	241	-	-	241
Balance at 30 June 2020	86,399	98,021	(11,739)	(49)	1,068	(138)	(764)	166
2019								
Balance at 1 January 2019	90,156	98,021	(11,739)	4,117	521	-	(764)	(243)
Profit for 1H'19 , representing total comprehensive income	149	-	-	149	-	-	-	-
<u>Contributions by and distribution to owners</u>								
Grant of equity-settled share options to employees	116	-	-	-	116	-	-	116
Dividends on ordinary shares	(3,395)	-	-	(3,395)	-	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	(3,279)	-	-	(3,395)	116	-	-	116
Balance at 30 June 2019	87,026	98,021	(11,739)	871	637	-	(764)	(127)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-back, exercise of share options or warrants, conversion of other issues of equity securities, issue of share for cash or as consideration for acquisition or for any 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 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

Number of ordinary shares as at 30 June 2020 and 31 December 2019 is 246,656,428.

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

	As at 30/06/2020	As at 30/06/2019
Options granted under the InnoTek Employees' Share Option Scheme II **	10,000,000	7,500,000
	<u>10,000,000</u>	<u>7,500,000</u>

** 2,500,000 share options was granted to Mr. Lou at an option price of S\$0.484 on 21 November 2019. The option price for the grant was based on the average of the last dealt prices for the shares on the SGX-ST over five consecutive Market Days immediately preceding the Date of the Grant of Option as determined by the Remuneration Committee. The offer was announced in SGX on the 21 November 2019.

(b) Treasury Shares

	No of shares '000	S\$'000
Balance as at 30 June 2020 and 30 June 2019	<u>20,351</u>	<u>11,739</u>

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 financial year.

	As at 30/6/2020		As at 31/12/2019	
	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	<u>(20,351)</u>	<u>(11,739)</u>	<u>(20,351)</u>	<u>(11,739)</u>
Net number of issued shares at the end of period	<u>226,305</u>	<u>86,282</u>	<u>226,305</u>	<u>86,282</u>

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

There were no sales, transfer, cancellation and/or use of Treasury Shares as at the end of the current financial period.

1(d)(v) 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, transfer, disposal, cancellation and/or use of Treasury Shares as at the end of the current financial period.

2. 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.

3. 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.

- 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 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 are no adverse opinion, qualified opinion or disclaimer of opinion.

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

The same accounting policies and method of computation have been applied to the financial statements as in the most recently audited annual financial statements.

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

There are no changes in the accounting policies and method of computation.

6. 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 :	First Half Year Ended	
	30 June	
	2020	2019
(a) Based on the weighted average number of shares (in cents)		
Earning per share	1.65	3.41
Weighted average number of shares ('000)	226,305	226,305
(b) On a fully diluted basis (in cents)		
Earning per share	1.64	3.38
Adjusted weighted average number of shares ('000)	227,617	228,484

7. 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; and (b) immediately preceding financial year

	Group		Company	
	As at 30-Jun-20	As at 31-Dec-19	As at 30-Jun-20	As at 31-Dec-19
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	72.3 cents	71.1 cents	38.2 cents	40.2 cents

8. 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

(A) Review for the first half year ended 30 June 2020 (1H'20)

Turnover (1H'20 vs 1H'19)

The Group's revenue for January-to-June 2020 half year ("1H'20") decreased S\$9.6 million or 10.8% to S\$79.7 million from S\$89.3 million in 1H'19. The lower revenue was mainly due to:

- (1) Office Automation ("OA") products recorded lower sales mainly due to shut down of factories and a reduction in global demand across the industry as a result of the global economic slowdown caused by the COVID-19 pandemic.
- (2) Automotive sales also declined mainly due to shut down of factories and reduction in demand from customers as a result of COVID-19 pandemic. Despite improvement in China's domestic automotive industry in Q2'20, overseas markets were continue to be affected by the COVID-19 pandemic resulting in major order reductions.
- (3) This was offset by an increase in the sales of TV and Display products mainly due to higher demand for larger-size TV bezels with more home entertainment as a result of enforced home staying amidst COVID-19 pandemic.

(B) Net Profit (1H'20 vs 1H'19)

InnoTek Group 1H'20 profit was S\$3.7 million, a decrease of S\$4.0 million compared to 1H'19 mainly due to:

Unfavorable variance

- a) In line with lower revenue as explained above, gross profit decreased to S\$17.1 million, declining 14.3% from S\$19.9 million a year ago. Gross profit margin decreased to 21.4% in 1H'20 from 22.3% in 1H'19. Without the ongoing cost reduction measures by the Group such as production automation to reduce headcount and incentives to improve productivity, impact would have been worse.
- b) Higher rental expense for Suns Mansfield and Feng Chuan Dongguan reflected under depreciation of rights-of-use assets and operating lease interest expense 1(a)(i)(j) but offset by 50% rental rebate charged under other income (note 1(a)(i)(i))
- c) Net loss from investment portfolio in 1H'20 compared to net profit in 1H'19 due to the unfavorable financial market condition caused by covid-19 pandemic (note 1(a)(i)(c)).
- d) Lower rental income as one of Suzhou's rental block was terminated in 31 December 2019 (note 1(a)(i)(h))

Offset by favorable variance

- e) Lower expenses such as reduction in headcount and improved production efficiency, resulting in lower direct and indirect wages, and selling and distribution expense.
- f) Higher exchange gain (note 1(a)(i)(f))
- g) Write-back of doubtful debt for a tooling project provided in 2018 (Note 1(a)(i)(g))

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

None

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

The COVID-19 pandemic has vastly changed the business landscape for the Group's business segments and has had a significant impact on the financial performance in the first half of the year. As the global number of cases continue to rise, COVID-19's impact on the Group's three major products (OA, Auto and TV) will vary going into the second half of the year as the Group's end customers are mostly European, American and Japanese.

Demand for the TV segment was stable on the back of increasing demand for home entertainment products, as more people stayed at home during the pandemic. Barring unforeseen circumstances, the Group's TV bezel segment is expected to see a steady flow of orders in the second half year.

The COVID-19 pandemic has resulted in a global decline in demand for OA products. The Group's plant in Rayong, Thailand has commenced commercial production but it has been a challenge to benefit from the shift of production out of China by Japanese OA customers due to weak market conditions.

The domestic automobile market was impacted in Q1'20 by the COVID-19 pandemic but recovered gradually in Q2'20. Although reports from the China Automobile Manufacturers Association indicated auto sales in June increasing 11.6% from a year ago, the overseas market continues to be impacted by the COVID-19 pandemic. However the Group expects gradual recovery in the second half of the year.

The COVID-19 pandemic is currently not yet under control globally and hence the Group will continue to implement cost control measures. The Group is also looking to expand its customer base, both domestically and overseas and diversifying its products to improve the Group's operational resilience. It will do its best in Quality, Cost, Delivery and Services for its customers, strive to open up new market and deal with difficult situations that are hard to predict in the future.

11. 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

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.

13. 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 in the format as required in Rule 907

Interested parties transactions for the 6 months ended 30 June 2020

Name of Interested Person	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)
Dongguan Konka Mould Plastic Co., Ltd	145,407	N/A
Dongguan Grand Mould Plastic Co., Ltd	0	N/A
All Brilliant Ltd	20,578	NA
Anhui KM Technology	23,248	N/A
Wuhan Grand Mould Plastic Co. Ltd	362,771	N/A

The Company does not have any shareholders' mandate for interested person transactions.

14. 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 first half year ended 30 June 2020 to be false or misleading in any material aspects.

15. 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
13 August 2020