

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1 , Q2 & Q3),
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 First Quarter ended 31 March 2018

Group	Note	Quarter Ended 31-Mar		Change %
		2018 S\$'000	2017 (Restated) S\$'000	
Revenue		47,612	51,110	(6.8)
Cost of sales	1(a)(i)(a)	(40,185)	(41,411)	(3.0)
Gross Profit		7,427	9,699	(23.4)
Other items of expense				
Selling and distribution		(894)	(1,045)	(14.4)
Administrative expense	1(a)(i)(b)	(6,099)	(5,650)	7.9
Share of joint venture loss	1(b)(i)(B)	-	(24)	(100.0)
Other expenses	1(a)(i)(c)	(897)	(678)	32.3
Total other item of expenses		(7,890)	(7,397)	6.7
Other items of income				
Interest income		155	135	14.8
Other income	1(a)(i)(c)	1,163	1,416	(17.9)
Total other items of income		1,318	1,551	(15.0)
Profit before taxation		855	3,853	(77.8)
Tax expense		(738)	(1,318)	(44.0)
Profit for the period attributable to owners of the company		117	2,535	(95.4)
Other comprehensive income :				
Foreign currency translation		1,985	(2,639)	NM
Other comprehensive income , net of tax		1,985	(2,639)	NM
Total comprehensive income for the period , net of tax		2,102	(104)	NM
Earnings per share (cents)				
Basic	Para 6	0.05	1.13	(95.6)
Diluted	Para 6	0.05	1.12	(95.5)
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	Quarter Ended 31-Mar	
		2018	2017
		S\$'000	(Restated) S\$'000
(a) Included in cost of sales are :			
- Inventories recognised as an expense in cost of sales		(20,077)	(20,920)
- Write-back for inventory obsolescence		50	61
- Depreciation of property, plant and equipment ("PPE")	1(a)(i)(d)	(847)	(1,033)
- Wages and salaries	1(a)(i)(e)	(8,787)	(9,489)
(b) Included in administrative expenses are :			
- Depreciation of PPE		(288)	(328)
- Amortisation of prepaid land lease payments		(13)	(22)
- Amortisation of intangible assets		(19)	(22)
- Wages and salaries	1(a)(i)(f)	(3,074)	(2,997)
(c) Included in other expenses and other income are :			
- Items related to Investment Portfolio			
Loss on disposal of held for trading investments	1(a)(i)(g)	(34)	(18)
Net fair value (loss) on held for trading investments	1(a)(i)(h)	(364)	(156)
Dividend income from investment securities	1(a)(i)(i)	28	49
Foreign currency gain/(loss) - realised forward contract		185	(49)
(Loss)/gain on derivative (unrealised)	1(a)(i)(j)	(65)	285
		<u>(250)</u>	<u>111</u>
- Foreign currency loss - others	1(a)(i)(k)	(589)	(474)
- Write-back of allowance for doubtful debts	1(a)(i)(l)	24	263
- Property rental income	1(a)(i)(m)	704	387
- (Loss) /gain on disposal of PPE		(29)	24

Notes to Group Consolidated Statement of Comprehensive Income (Cont'd)

- (d) Depreciation for Q1'18 was lower than Q1'17 due mainly to lower leasehold building depreciation from conversion to 2 leasehold buildings to investment properties in 2nd and 3rd quarter of 2017.
- (e) Q1'18 wages and salaries were lower mainly due to a decrease in direct and indirect labour headcount. (Headcount: March 2018 = 2,210, March 2017 =2,832)
- (f) Q1'18 wages and salaries were higher mainly due to higher G&A headcount coming from newly incorporated subsidiaries, Mansfield Weihai and Mansfield Thailand (Headcount: March 2018 = 305, March 2017 =286)
- (g) This relates to loss or gain on disposal of investment securities under investment portfolio managed by an investment bank.
- (h) This relates to fair value loss from investment securities under investment portfolio managed by an investment bank.
- (i) This relates to the dividend from equities and bonds under the investment portfolio managed by an investment bank.
- (j) This relates to unrealised fair value gain or loss on forward contracts under an investment portfolio managed by an investment bank.
- (k) The foreign currency loss in Q1'18 and Q1'17 was mainly due to the weakening of HK\$ vs RMB (mainly from HK\$ intercompany receivable from and CNY intercompany payable by HK subsidiaries).
- (l) Q1'17 was higher because there was a write-back of provision S\$0.3 million made in December 2015 but managed to collect back in Q1'17. This was not repeated in Q1'18.
- (m) 2 subsidiaries rented out their investment properties in Q1'18 compared to 1 in Q1'17.

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

Balance Sheets (Unaudited)

		Group		Company	
	Note	As at 31-Mar-18 S\$'000	As at 31-Dec-17 S\$'000 (Restated)	As at 31-Mar-18 S\$'000	As at 31-Dec-17 S\$'000 (Restated)
Non-current Assets					
Property, plant and equipment		30,039	27,805	-	1
Investment property		27,426	26,978	-	-
Prepaid land lease payment		1,881	1,864	-	-
Intangible assets		122	120	8	12
Investment in subsidiary	A	-	-	70,613	47,061
Investment in joint venture	B	1,677	1,631	-	-
Loan to subsidiary		-	-	-	23,552
Deposit paid for purchases of property, plant and equipment		2,515	2,562	-	-
Other receivables	C	1,163	1,433	-	-
Deferred tax assets		853	861	-	-
		65,676	63,254	70,621	70,626
Current Assets					
Inventories		26,899	24,226	-	-
Trade and other receivables		61,453	70,131	4,410	4,270
Tax recoverables		-	-	-	-
Prepayments		800	545	59	55
Held for trading financial assets	D	13,324	14,796	13,324	14,796
Derivatives	E	63	112	63	112
Cash and short-term deposit	F	45,084	35,784	3,811	2,458
		147,623	145,594	21,667	21,691
Total Assets		213,299	208,848	92,288	92,317
Current Liabilities					
Finance lease	1(b)(ii)	23	23	-	-
Trade and other payables		67,416	66,136	887	660
Provisions	G	146	180	-	-
Derivatives	E	16	-	16	-
Tax payable		6,237	5,552	74	42
		73,838	71,891	977	702
Net Current Assets		73,785	73,703	20,690	20,989
Non-current Liabilities					
Provision	G	587	561	-	-
Finance lease	1(b)(ii)	21	27	-	-
Deferred tax liabilities		2,365	2,334	430	430
		2,973	2,922	430	430
Total Liabilities		76,811	74,813	1,407	1,132
Net Assets		136,488	134,035	90,881	91,185
Share capital		98,021	98,021	98,021	98,021
Treasury shares		(12,016)	(12,997)	(12,016)	(12,997)
Retained earnings		47,352	47,432	4,976	5,631
Other reserves		3,131	1,579	(100)	530
Total Equity		136,488	134,035	90,881	91,185

Notes to Group Balance Sheet

- A Effective 1 January 2018, the loan to a subsidiary is classified as investment in subsidiary and the breakdown as follows:

Company	As at 31-Mar-18 S\$'000	As at 31-Dec-17 S\$'000
Equity Investment in subsidiary	47,061	47,061
Loan Investment in subsidiary	23,552	-
Total	70,613	47,061

- B This relates to the joint venture ("JV") of the Group's wholly-owned subsidiary, Mansfield Manufacturing Company Limited, together with Shenzhen Konka Precision Mould Manufactory Co. Ltd. Anhui KM Technology which was incorporated with a registered share capital of RMB20 million in which Mansfield holds a 49%-stake. As at 31 March 2016, the Group had completed its injection of RMB9.8 million capital into the Joint Venture. The Joint Venture breakeven in Q1'18 but the Group recognised its share of the loss of S\$24K from the JV in Q1'17.
- C These are mainly long-term rental and utilities deposit for PRC factory facilities.
- D These are quoted equities, trusts and bonds held for trading and managed by an investment bank 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.
- E These derivatives are the unrealised fair value gains or losses from forward contracts under the portfolio investment.
- F Increase in cash and short-term deposit was mainly due to increase in net cash generated from operating activities.
- G This comprise mainly of provisions for long-service payment.

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

	As at 31-Mar-18 S\$'000	As at 31-Dec-17 S\$'000
Amount repayable in one year or less, on demand		
- Secured	23	23
- Unsecured	-	-
	23	23
Amount repayable after one year		
- Secured	21	27
- Unsecured	-	-
	21	27
Total	44	50

Details of any collateral

Total borrowings as at 31 March 2018 amounted to S\$0.1 million mainly due to finance lease (31 December 2017: S\$0.1 million).

- 1(c) A cash flow statement (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	Quarter Ended 31-Mar	
		2018	2017
		S\$'000	S\$'000 (Restated)
Cash flows from operating activities :			
Profit before tax		855	3,853
Adjustment items	I	<u>2,383</u>	<u>(580)</u>
Cash flows from operations before reinvesting in working capital		3,238	3,273
Working capital changes , excluding changes relating to cash		<u>7,377</u>	<u>1,638</u>
Cash generated from operating activities		10,615	4,911
Net interest income received and tax refunded/(paid)		<u>24</u>	<u>(54)</u>
Net cash generated from operating activities		<u>10,639</u>	<u>4,857</u>
Cash flows from investing activities :			
Purchase of property, plant and equipment		(2,931)	(677)
Deposit refund for property, plant and equipment		47	285
Proceeds from sale of PPE		16	24
Additions to intangible assets		(18)	-
Proceeds from sale of investment securities		1,871	2,066
Acquisition of investment securities under portfolio management		(813)	(2,705)
Dividend from investment securities		28	49
Deposit in an investment portfolio account		(310)	601
Increase in restricted cash		<u>(18,548)</u>	<u>-</u>
Net cash used in investing activities		<u>(20,658)</u>	<u>(357)</u>
Cash flows from financing activities :			
Proceeds from re-issuance of treasury shares		290	-
Decrease in short term financing		<u>(6)</u>	<u>(4)</u>
Net cash generated from/(used in) from financing activities		<u>284</u>	<u>(4)</u>
Net change in cash and cash equivalents		(9,735)	4,496
Effect of exchange rate changes on cash and cash equivalents		178	220
Cash and cash equivalents as at beginning of period		35,154	29,060
Cash and cash equivalents as at end of period	J	25,597	33,776

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

I Details of adjustment items as follows:

GROUP	Note	Quarter Ended 31-Mar	
		2018 S\$'000	2017 S\$'000 (Restated)
Depreciation of property, plant and equipment		1,135	1,361
Amortisation of intangible assets		19	22
Amortisation of prepaid land lease payments		13	22
Loss/(gain) on disposal of PPE and intangible assets		29	(24)
Loss on disposal of held for trading investments	1(a)(i)(g)	34	18
Share option expense		61	41
Allowance for doubtful debts written back		(24)	(263)
Net fair value loss on held for trading investments	1(a)(i)(h)	364	156
Net fair value loss/(gain) for derivatives	1(a)(i)(j)	65	(285)
Interest income		(155)	(135)
Write-back of inventory obsolescence		(50)	(61)
Effect of exchange rate changes		939	(1,407)
Share of results of joint venture		-	24
Provision for severance benefits and restructuring expenses		(19)	-
Dividend income from investment securities		(28)	(49)
Total		<u>2,383</u>	<u>(580)</u>

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

GROUP	As at 31 March	
	2018 S\$'000	2017 S\$'000
Cash and bank balances	42,143	31,676
Cash and bank balance under portfolio investment management	939	428
Fixed deposits	2,002	2,100
Total cash and bank balance per balance sheet	45,084	34,204
Less : Cash and bank balance under portfolio investment management	(939)	(428)
Less: Restricted cash in short-term structured deposit	(18,548)	-
Net cash and bank balance	25,597	33,776
Less : Bank overdrafts	-	-
Cash and cash equivalents at end of period	25,597	33,776

* The decrease in cash and cash equivalents from 31 March 2017 to 31 March 2018 was mainly due to placement in short-term structured deposit and purchase of PPE offset by higher net cash generated from operation activities.

- 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

		Attributable to owners of the Company								
GROUP	Total Equity S\$'000	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
2018										
Balance at 1 January 2018 (Restated)	134,035	98,021	(12,997)	47,432	599	(1,281)	1,078	1,252	(69)	1,579
Profit for Q1'18	117	-	-	117	-	-	-	-	-	-
Other Comprehensive Income										
Foreign currency translation	1,985	-	-	-	-	1,985	-	-	-	1,985
Other comprehensive income	1,985	-	-	-	-	1,985	-	-	-	1,985
Total comprehensive Income	2,102	-	-	117	-	1,985	-	-	-	1,985
Contribution by and distribution to owners										
Treasury shares reissued pursuant to employee share option plan	290	-	981		(111)	-	-	-	(580)	(691)
Grant of equity-settled share options to employees	61	-	-	-	61	-	-	-	-	61
Total contribution by and distribution to owners	351	-	981	-	(50)	-	-	-	(580)	(630)
Others										
Transfer to statutory reserve (Note (i))	-	-	-	(197)	-	-	197	-	-	197
Balance at 31 March 2018	136,488	98,021	(12,016)	47,352	549	704	1,275	1,252	(649)	3,131
2017										
Balance at 1 January 2017 (as previously reported)	124,820	98,021	(13,164)	40,251	269	(557)	-	-	-	(288)
Adjustment from adoption of SFRS(1) 15	62	-	-	62	-	-	-	-	-	-
Adjustment from adoption of Singapore Financial Reporting Standards (International)	-	-	-	(557)	-	557	-	-	-	557
Balance at 1 January 2017 (Restated)	124,882	98,021	(13,164)	39,756	269	-	-	-	-	269
Profit for Q1'17 (as previously reported)	2,546	-	-	2,546	-	-	-	-	-	-
Adjustment from adoption of SFRS(1) 15	(11)	-	-	(11)	-	-	-	-	-	-
Profit for Q1'17 (restated)	2,535	-	-	2,535	-	-	-	-	-	-
Other Comprehensive Income										
Foreign currency translation	(2,639)	-	-	-	-	(2,639)	-	-	-	(2,639)
Other comprehensive income	(2,639)	-	-	-	-	(2,639)	-	-	-	(2,639)
Total comprehensive Income	(104)	-	-	2,535	-	(2,639)	-	-	-	(2,639)
Contribution by and distribution to owners										
Grant of equity-settled share options to employees	41	-	-	-	41	-	-	-	-	41
Total contribution by and distribution to owners	41	-	-	-	41	-	-	-	-	41
Balance at 31 March 2017 (Restated)	124,819	98,021	(13,164)	42,291	310	(2,639)	-	-	-	(2,329)

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	Gain or loss on reissuance of treasury shares S\$'000	Total other reserves S\$'000

2018

Balance at 1 January 2018	91,185	98,021	(12,997)	5,631	599	(69)	530
Loss for Q1'18, representing total comprehensive income	(655)	-	-	(655)	-	-	-
<u>Contributions by and distribution to owners</u>							
Treasury shares reissued pursuant to employee share option plan	290	-	981	-	(111)	(580)	(691)
Grant of equity-settled share options to employees	61	-	-	-	61	-	61
Total transactions with owners in their capacity as owners	351	-	981	-	(50)	(580)	(630)
Balance at 31 March 2018	90,881	98,021	(12,016)	4,976	549	(649)	(100)

2017

Balance at 1 January 2017	94,911	98,021	(13,164)	9,785	269	-	269
Loss for Q1'17, representing total comprehensive income	(1,129)	-	-	(1,129)	-	-	-
<u>Contributions by and distribution to owners</u>							
Grant of equity-settled share options to employees	41	-	-	-	41	-	41
Total transactions with owners in their capacity as owners	41	-	-	-	41	-	41
Balance at 31 March 2017	93,823	98,021	(13,164)	8,656	310	-	310

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 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 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

(a) Share Capital

Number of ordinary shares as at 31 March 2018 and 31 December 2017 is 246,656,428.

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

	As at 31/3/2018	As at 31/12/2017
Options granted under the InnoTek Employees' Share Option Plan I *	480,000	680,000
Options granted under the InnoTek Employees' Share Option Scheme II **	5,000,000	6,500,000
	<u>5,480,000</u>	<u>7,180,000</u>

* On 23 May 2013, 7,730,000 options were granted to the Group's and the Company's employees under the "InnoTek Employee's Share Option Scheme II" plan which was approved by shareholders at the Extraordinary General Meeting held on 30 April 2008. The option price for the grant was S\$0.28 per share which 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 Grant of Option as determined by the Remuneration Committee. 6,760,000 options had been forfeited since May 2013 due to staff resignation. 290,000 treasury shares were reissued for share option on 31 May 2017. For Q1'18, 200,000 treasury shares were reissued for share option on 27 March 2018.

** 2,000,000 share options were granted to Executive Director and Chief Executive Officer of InnoTek Group, Mr. Lou Yiliang at an option price of S\$0.185 on 19 January 2016. Another 3,000,000 share Options was granted to him on 9 March 2017 at an option price of S\$0.35. 1,500,000 share options was granted to Chief Operating Officer, Mr. Kuang Yubin at an option price of S\$0.156 on 6 June 2016. 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. 1,500,000 treasury shares were reissued for share option on 27 March 2018.

(b) Treasury Shares

	No of shares '000	S\$'000
Balance as at 1 January 2018	22,531	12,997
Less: Re-issued pursuant to employee share option plans	(1,700)	(981)
Balance as at 31 March 2018	<u>20,831</u>	<u>12,016</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 corresponding period of the immediately preceding financial year.

	As at 31/3/2018		As at 31/3/2017	
	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	(20,831)	(12,016)	(22,821)	(13,164)
Net number of issued shares at the end of period	<u>225,825</u>	<u>86,005</u>	<u>223,835</u>	<u>84,857</u>

1(d)(iv) 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.

1,700,000 treasury shares were re-issued for share option on 27 March 2018.

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

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, except that the Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") and all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2018.

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

On transition to SFRS(I), the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, has reclassified an amount of S\$557,000 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

In addition, the Group adopted SFRS(I) 15 on 1 January 2018. The effects of adoption of SFRS(I) 15 on the financial statements are :

	As at 31-Dec-17 S\$'000 (Restated)
Increase/(decrease) in :	
Balance Sheet	
- Trade and other receivables	848
- Inventories	(745)
- Retained earnings	103
	Quarter ended 31-Mar-17 S\$'000 (Restated)
Increase/(decrease) in :	
Consolidated Income Statement	
- Revenue	25
- Cost of Sales	36

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.

	Quarter Ended 31 March	
Earning per ordinary share of the Group based on net earnings attributable to the shareholders of the Company :	2018	2017 (Restated)
(i) Based on the weighted average number of shares (in cents)		
Earning per share	0.05	1.13
Weighted average number of shares ('000)	224,220	223,835
(ii) On a fully diluted basis (in cents)		
Earning per share	0.05	1.12
Adjusted weighted average number of shares ('000)	226,140	225,780

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 31-Mar-18	As at 31-Dec-17 (Restated)	As at 31-Mar-18	As at 31-Dec-17
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	60.4 cents	59.8 cents *	40.2 cents	40.7 cents

* Increased slightly mainly due to translation gain as a result of strengthening of RMB /HK\$ exchange rate as at 31 March 2018 (1.247) compared to 31 December 2017 (1.182)

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

Review for the Quarter ended 31 March 2018 (Q1'18)

	Q1'18 S\$'000	Q1'17 S\$'000 (Restated)	Q1'18 vs Q1'17 S\$'000	Q1'18 vs Q1'17 %
Turnover				
MSF - In S\$	47,612	51,110	(3,498)	(6.8)
MSF - In HK\$	HKD 282,640	HKD 279,939	HKD 2,701	1.0
Average S\$/HK\$ exchange rate	5.93	5.48		
Net Profit/(loss) attributable to owners of the parent				
MSF - before exchange rate impact	1,291	3,069	(1,778)	(57.9)
Exchange loss	(519)	(315)	(204)	(64.8)
MSF Group	772	2,754	(1,982)	(72.0)
MSF Group - HK\$'000	HKD 4,602	HKD 15,116	(HKD 10,514)	(69.6)
InnoTek - before exchange rate impact	(584)	(59)	(525)	(889.8)
Exchange loss	(71)	(160)	89	55.6
InnoTek	(655)	(219)	(436)	(199.1)
InnoTek Group - before exchange rate impact	707	3,010	(2,303)	(76.5)
Exchange loss	(590)	(475)	(115)	(24.2)
Total Innotek Group	117	2,535	(2,418)	95.4
Basic EPS (cents)	0.05	1.13	(1.08)	NM

Turnover

The Group's revenue for the January-to-March 2018 quarter ("Q1'18") decreased S\$3.5 million or 6.8% to S\$47.6 million from S\$51.1 million in Q1'17. However in term of sales in HK\$, the Group revenue increased from HK\$279.9 million to HK\$282.6 million. This is due to the weakening of the HK\$/S\$ in Q1'18 at 5.936 compared to 5.477 in Q1'17.

In term of HK\$, the slightly higher revenue was mainly due to:

- (1) Revenue increase from the Precision Components segment, due to higher sales of TV back panel but offset by lower demand for office automation and consumer products. Certain major Japanese customers have also accelerated their new production programmes to plants outside of China. Sales for automotive products were higher despite current programmes nearing end-of-life as production was bought forward due to the Chinese New Year holidays in February. Mass production from some newly secured automotive programmes will only start next year.
- (2) Revenue decrease slightly from the Precision Machining segment due mainly to the reduced sales to certain TV customers but compensated by higher bezel sales, heatsinks and car display panel. The current bezel products saw higher demand coming from customer operating in India and Vietnam despite the earlier yearly upgrade to new model.
- (3) Tooling sales in Q1'18 was stable and about the same level compared to Q1'17.

Paragraph 8 (Cont'd)

Net Profit

InnoTek Group was profitable in Q1'18 with a profit of S\$0.1 million, a decrease of S\$2.4 million compared to the profit of S\$2.5 million in Q1'17 was due mainly to:

- (1) Mansfield Group ("MSF") profit was S\$0.8 million in Q1'18, S\$2.0 million lower than the profit of S\$2.8 million in Q1'17 due mainly to:
 - a) MSF's gross profit ("GP") margin decreased to 15.6% in Q1'18 from 19.0% in Q1'17 due mainly to :
 - Increase in cost of direct and indirect materials.
 - Start-up costs from newly incorporated subsidiaries Mansfield Wei Hai and Mansfield Thailand
 - Expenses incurred for new programmes which mass production are anticipated in 2nd half of 2018 or 2019
 - Certain entities incurred higher labour cost due to increase in minimum wage and employment of higher skill workers to get ready for mass production in future quarters with newly installed robotic arms .
 - Competitive price resulting in lower margin for TV back panel which had higher sales volume in Q1'18 compared to Q1'17.
 - b) A write-back of S\$0.3 million doubtful debt provided for in December 2015 but collected back in Q1'17. There was no repeat in Q1'18.
 - c) Higher G&A expenses mainly from newly set-ups, Mansfield Weihai and Mansfield Thailand. Overseas travelling and business development expense had also increased as the MSF Group increased efforts to secure more sales and new customers.
- (2) InnoTek's loss in Q1'18 was S\$0.6 million, S\$0.4 million higher than the loss of S\$0.2 million in Q1'17 due mainly to:
 - Net investment portfolio loss managed by an investment bank in Q1'18 compared to a gain in Q1'17 (refer to 1(a)(i) (c)) as equity and bonds prices were affected by trade war between China and US in Q1'18.
 - Higher share option expense for share options granted to CEO on 9 March 2017.

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 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 international trade has been affected by global economic and political developments, China is enjoying economic stability on the domestic front. Products and industries that serve the demands of daily life such as the automotive sector are expected to maintain moderate growth.

The Group's operations have been affected by unstable raw material prices, rising labour costs and tougher competition.

The Group's TV segment maintained stable order volume this quarter. This was largely attributable to strong sales in overseas markets, as well as high demand for existing products such as TV bezels and heat sinks. The Group believes that there is demand for large, high-definition (HD) TVs in domestic and overseas markets. It will introduce measures such as automation to improve manufacturing efficiency and boost the quality of new products, which will need to be of even better quality going forward in order to support higher-resolution content.

Paragraph 10 (Cont'd)

Several of the Group's Japanese customers in the Office Automation ("OA") business are shifting production from China to Southeast Asia, a transition which is expected to conclude in the next two years. At the same time, these customers have introduced tighter requirements for Chinese suppliers and now work almost exclusively with selected elite suppliers. Nevertheless, the Group's OA sales held steady due to stable orders and partial transfer orders from other suppliers. The Group will continue to grow its OA market share by transforming from a single-component supplier to an assembly supplier.

The Group's subsidiaries in Thailand and Weihai, China – Mansfield (Thailand) Co., Ltd. ("Mansfield Thailand") and Mansfield Technology (Weihai) Co., Ltd. ("Mansfield Weihai") – are still in development. As such, their performance is not yet reflected in this quarter's results. Mansfield Thailand's plant is on track for its scheduled completion in mid-May 2018 and is slated to begin production in 2H'18. Mansfield Weihai recently secured factory certification to support our customer printer-related activities in China and will commence production in 2H'18.

The Group is confident of its prospects in the automotive business. Although the switch between new and old programmes will impact its performance in the short term, it is actively engaging with existing customers to acquire new orders. The Group is targeting strategic cooperation with global Tier 1 suppliers, and has made some headway on this in Q1'18. In addition to basic interior parts, it will continue to produce functional and safety parts to enhance its suite of offerings.

The Group remains cautious about its outlook for FY2018. It will implement process reforms and product innovation this year as well as promote manufacturing automation and employee incentives (on a contract or individual component basis) to improve its productivity and competitiveness. At the same time, it will seek to strengthen relationships with existing clients and pursue customer acquisitions in order to develop its capabilities in a sustainable manner.

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

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.**

Interested Parties transactions for the 3 months ended 31 March 2018

Name of Interested Person	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$	
Dongguan Konka Mould Plastic Co., Ltd	415,961	N/A
Anhui KM Technology	14,894	N/A
Toyoichi Tsusho Co., Ltd	1,903	N/A
Wuhan Grand Mould Plastic Co. Ltd	185,851	N/A

- 14. 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.

15. STATEMENT PURSUANT TO SGX LISTING RULE 705(5) OF THE LISTING MANUAL

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 quarter ended 31 March 2018 to be false or misleading in any material aspects.

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

BY ORDER OF THE BOARD

Lou Yiliang
Chief Executive Officer
24 April 2018

