

**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 Third Quarter ended 30 September 2019*

Group	Note	Third Qtr Ended		Change %	9 months Ended		Change %
		30-Sep			30-Sep		
		2019 S\$'000	2018 S\$'000		2019 S\$'000	2018 S\$'000	
<b>Revenue</b>		<b>46,405</b>	<b>62,506</b>	<b>(25.8)</b>	<b>135,732</b>	<b>162,484</b>	<b>(16.5)</b>
Cost of sales	1(a)(i)(a)	(35,984)	(45,882)	(21.6)	(105,382)	(127,870)	(17.6)
<b>Gross profit</b>		<b>10,421</b>	<b>16,624</b>	<b>(37.3)</b>	<b>30,350</b>	<b>34,614</b>	<b>(12.3)</b>
<b>Other items of expense</b>							
Selling and distribution		(970)	(1,148)	(15.5)	(2,578)	(2,935)	(12.2)
Administrative expense	1(a)(i)(b)	(5,906)	(6,556)	(9.9)	(18,276)	(18,886)	(3.2)
Finance cost		(28)	-	NM	(90)	-	NM
Other expenses	1(a)(i)(c)	(63)	(1,980)	NM	-	(2,225)	NM
Share of results of joint venture		7	(2)	NM	(107)	(38)	NM
Total other item of expenses		(6,960)	(9,686)	(28.1)	(21,051)	(24,084)	(12.6)
<b>Other items of income</b>							
Interest income		334	123	171.5	862	385	123.9
Other income	1(a)(i)(c)	1,674	2,254	(25.7)	4,428	3,912	13.2
Total other items of income		2,008	2,377	(15.5)	5,290	4,297	23.1
<b>Profit before tax</b>		<b>5,469</b>	<b>9,315</b>	<b>(41.3)</b>	<b>14,589</b>	<b>14,827</b>	<b>(1.6)</b>
Income tax expense	1(a)(i)(g)	(789)	(2,193)	NM	(2,181)	(1,875)	NM
<b>Profit for the period attributable to owners of the company</b>		<b>4,680</b>	<b>7,122</b>	<b>(34.3)</b>	<b>12,408</b>	<b>12,952</b>	<b>(4.2)</b>
<b>Other comprehensive income :</b>							
Foreign currency translation		(1,746)	(4,024)	(56.6)	(2,806)	(2,821)	NM
<b>Other comprehensive income for the period , net of tax</b>		<b>(1,746)</b>	<b>(4,024)</b>	<b>(56.6)</b>	<b>(2,806)</b>	<b>(2,821)</b>	<b>NM</b>
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<b>2,934</b>	<b>3,098</b>	<b>(5.3)</b>	<b>9,602</b>	<b>10,131</b>	<b>(5.2)</b>
<b>Earnings per share attributable to owners of the Company (cents per share)</b>							
<b>Basic</b>	Para 6	<b>2.07</b>	<b>3.15</b>	<b>(34.3)</b>	<b>5.48</b>	<b>5.76</b>	<b>(4.9)</b>
<b>Diluted</b>	Para 6	<b>2.05</b>	<b>3.13</b>	<b>(34.5)</b>	<b>5.43</b>	<b>5.72</b>	<b>(5.1)</b>
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	Third Qtr Ended		9 Months Ended	
		30-Sep		30-Sep	
		2019	2018	2019	2018
		S\$'000	S\$'000	S\$'000	S\$'000
(a) Major items included in cost of sales are :					
- Inventories recognised as an expense in cost of sales	1(a)(i)(d)	(18,781)	(25,231)	(54,738)	(66,258)
- Provision for inventory obsolescence		(361)	(380)	(210)	(332)
- Depreciation of property, plant and equipment ("PPE")		(910)	(1,161)	(2,746)	(2,956)
- Amortisation of right-of-use assets	Para 5	(114)	-	(346)	-
- Wages and salaries	1(a)(i)(e)	(7,028)	(9,644)	(21,418)	(27,850)
(b) Major items included in administrative expenses are :					
- Depreciation of PPE		(342)	(298)	(1,025)	(921)
- Amortisation of prepaid land lease payments	Para 5	-	(13)	-	(40)
- Amortisation of intangible assets		(26)	(28)	(76)	(76)
- Amortisation of right-of-use assets	Para 5	(67)	-	(201)	-
- Wages and salaries		(3,264)	(3,202)	(9,891)	(9,493)
(c) Major items included in other expenses and other income are :					
- Items related to Investment Portfolio					
Loss/(gain) on disposal of other investments		-	(62)	27	(155)
Net fair value (loss)/gain on investment securities		(63)	183	366	(10)
Dividend income from investment securities		41	47	121	152
Interest income from investment bonds		103	65	275	234
Foreign currency loss - realised forward contract		-	(153)	-	(31)
Gain/(Loss) on derivative (unrealised)		-	154	-	(116)
		<u>81</u>	<u>234</u>	<u>789</u>	<u>74</u>
- Foreign currency gain - others	1(a)(i)(f)	758	458	864	4
- Write-back of expected credit losses		4	30	-	70
- Property rental income		703	619	2,253	2,146
<b>Non-recurring items:</b>					
- Write-back of tax provision	1(a)(i)(g)	498	-	498	2,077
- Mansfield Weihai exit expense	1(a)(i)(h)	-	(2,000)	252	(2,000)
		<u>498</u>	<u>(2,000)</u>	<u>750</u>	<u>77</u>

(d) Reduced mainly due to a reduction in sales.

(e) Q3'19 wages and salaries were lower mainly due to a decrease in direct and indirect labour headcount. (Headcount: September 2019 = 1,729, September 2018 = 2,398)

(f) Higher exchange gain in Q3'19 was mainly due to the strengthening of HK\$ vs RMB as compared to Q3'18 for HK\$ intercompany receivables from and RMB intercompany payables by HK subsidiaries. In addition, the partial repayment of investment loan by Mansfield Hong Kong in Q3'19 resulted in realized exchange gain as the HK\$ strengthened against S\$ compared to historical rate.

(g) Magix Dongguan and Sun Mansfield declared dividend to Magix Hong Kong and Lens Tool & Die Hong Kong in Q3'19. Withholding tax of 10% was provided in December 2018 but a concession rate of 5% was granted for actual payment. The excess provision of S\$498K was written-back in Q3'19. Besides there was write-back of 2017 tax provision in Q2'18 amounting to S\$2.1 million (RMB9.9 million) following the award by Dongguan Provincial government agencies in May 2018 of high technology tax concessionary rate of 15% for 3 years starting 2017.

(h) Provision for Wei Hai exit expense was made in Q3'18 after management decided to withdraw from Wei Hai due to an adjustment of certain important customers' supply chain management. After the exit, the residue balance which were mainly net gain from disposal of equipment were reversed out in Q1'19.

**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)**

	Note	Group		Company	
		As at 30-Sep-19 S\$'000	As at 31-Dec-18 S\$'000	As at 30-Sep-19 S\$'000	As at 31-Dec-18 S\$'000
<b>Non-current Assets</b>					
Property, plant and equipment		30,240	33,332	18	26
Investment properties		26,478	26,308	-	-
Prepaid land lease payment	E	-	1,753	-	-
Intangible assets		324	359	-	-
Investment in subsidiary	A	-	-	64,904	74,500
Investment in joint venture		1,408	1,562	-	-
Right-of-use assets	E	3,055	-	61	-
Deposit paid for purchases of property, plant and equipment		396	267	-	-
Other receivables		1,087	1,111	-	-
Deferred tax assets		798	801	-	-
		63,786	65,493	64,983	74,526
<b>Current Assets</b>					
Inventories		26,768	25,159	-	-
Trade and other receivables	B	53,425	70,344	1,213	2,950
Contract assets		1,526	1,807	-	-
Prepayments		550	618	73	46
Other investment	C	38,390	25,494	13,964	12,598
Cash and short-term deposit	D	32,164	34,649	11,784	1,268
		152,823	158,071	27,034	16,862
<b>Total Assets</b>		216,609	223,564	92,017	91,388
<b>Current Liabilities</b>					
Lease liabilities	1(b)(ii)	223	34	51	-
Trade and other payables	B	49,710	62,642	610	672
Contract liabilities		2,930	3,112	-	-
Provisions		7	8	-	-
Income tax payable		4,186	4,978	82	15
		57,056	70,774	743	687
<b>Net Current Assets</b>		95,767	87,297	26,291	16,175
<b>Non-current Liabilities</b>					
Provision		474	515	-	-
Lease liabilities	1(b)(ii)	1,227	26	10	-
Bank loan	1(b)(ii), F	226	-	-	-
Deferred tax liabilities	G	1,635	2,653	545	545
		3,562	3,194	555	545
<b>Total Liabilities</b>		60,618	73,968	1,298	1,232
<b>Net Assets</b>		155,991	149,596	90,719	90,156
Share capital		98,021	98,021	98,021	98,021
Treasury shares		(11,739)	(11,739)	(11,739)	(11,739)
Retained earnings		70,918	62,921	4,492	4,117
Other reserves		(1,209)	393	(55)	(243)
<b>Total Equity</b>		155,991	149,596	90,719	90,156

## Notes to Group Balance Sheet

A The breakdown of the investment in subsidiary are as follows:

Company	As at 30-Sep-19 S\$'000	As at 31-Dec-18 S\$'000
Equity shares, at cost	47,061	47,061
Loans to a subsidiary	17,843	27,439
<b>Total</b>	<b>64,904</b>	<b>74,500</b>

B Trade receivables and trade payables reduced at end of September 2019 compared to end of December 2018 mainly due to lower sales and purchases in Q3'19 compared to the last quarter of 2018.

C The breakdown of other investments are as follows:

Group	As at 30-Sep-19 S\$'000	As at 31-Dec-18 S\$'000
Investment portfolio (*)	13,964	12,598
Structured deposits (**)	24,426	12,896
<b>Total</b>	<b>38,390</b>	<b>25,494</b>

\* 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.

\*\* These are less than 3 months tenor short-term deposit placed with PRC established banks.

D Decrease in cash and short-term deposit was mainly due to movement of temporary excess funds to short-term structured deposit, payment of dividend in May 2019 and increase in investment portfolio.

E These relates to operating leases that are affected by the new SFRS(I) 16 that came into effect on 1 January 2019. Prepaid land lease payment has also been reclassified to right-of-use assets effective 1 January 2019. Please refer to paragraph 5.

F Thailand subsidiary secured a THB 50 million 5 year bank loan signed on 3 May 2019 secured against the mortgage of the Thailand plant. Repayment will start 1 year after the first drawdown of the loan. The first drawdown of THB 5 million was made on 31 July 2019.

G Reduced due to dividend withholding tax paid in Q3'19 after Magix Dongguan and Sun Mansfield declared dividend to Magix Hong Kong and Lens Tool & Die Hong Kong respectively. Deferred tax was provided in 2018 at rate of 10% but actual was at concession rate of 5%.

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

	Note	As at 30-Sep-19 S\$'000	As at 31-Dec-18 S\$'000
<b>Amount repayable in one year or less, on demand</b>			
- Finance lease - secured		22	34
- Lease liabilities	E	201	-
		<b>223</b>	<b>34</b>
<b>Amount repayable after one year</b>			
- Finance lease - secured		13	26
- Lease liabilities	E	1,214	-
Total lease liabilities		1,227	26
Bank Loan - secured	F	226	-
		<b>1,453</b>	<b>26</b>
<b>Total</b>		<b>1,676</b>	<b>60</b>

#### Details of any collateral

- The secured finance lease as at 30 September 2019 are finance leases for certain items of motor vehicles amounting to S\$35,000 (31 December 2018: S\$60,000).
- The THB 50 million (S\$2.3 million) bank loan was secured against the Thailand factory. As of September 2019, the drawdown was THB 5 million. (Note F)

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	Third Qtr Ended 30-Sep		9 months Ended 30-Sep	
		2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
<b>Operating activities :</b>					
Profit before tax		5,469	9,315	14,589	14,827
Adjustment items	H	110	1,689	1,199	5,112
<b>Cash flows from operations before reinvesting in working capital</b>		5,579	11,004	15,788	19,939
Working capital changes ,excluding changes relating to cash		1,467	(3,288)	2,404	(4,248)
<b>Cash generated from operating activities</b>		7,046	7,716	18,192	15,691
Net interest income received and tax paid		(1,113)	(463)	(3,119)	(1,816)
<b>Net cash generated from operating activities</b>		5,933	7,253	15,073	13,875
<b>Cash flows from investing activities :</b>					
Purchase of property, plant and equipment		(666)	(1,168)	(1,672)	(6,632)
Deposit refunded/(paid) for property, plant and equipment		136	125	(127)	609
Proceeds from disposal of PPE		14	50	241	73
Additions to intangible assets		(11)	(1)	(50)	(339)
Proceeds from disposal of other investments		1,486	6,695	4,179	10,738
Purchase of other investments		(1,521)	(3,826)	(5,183)	(5,659)
Dividend from other investments		41	47	121	152
Increase in bank balance under portfolio investment management		(8,615)	(2,240)	(10,343)	(3,252)
Increase in structured deposit		(1,994)	(6,130)	(11,530)	(12,313)
<b>Net cash used in investing activities</b>		(11,130)	(6,448)	(24,364)	(16,623)
<b>Cash flows from financing activities :</b>					
Dividend paid on ordinary shares by the company		-	-	(3,395)	(2,262)
Proceeds from re-issuance of treasury shares		-	-	-	424
Proceeds from bank borrowing		226	-	226	-
Payment of lease liabilities		(166)	30	(497)	19
<b>Net cash generated from/(used in) financing activities</b>		60	30	(3,666)	(1,819)
<b>Net change in cash and cash equivalents</b>		(5,137)	835	(12,957)	(4,567)
<b>Effect of exchange rate changes on cash and cash equivalents</b>		294	(856)	129	(510)
<b>Cash and cash equivalents as at beginning of period</b>		25,995	30,098	33,980	35,154
<b>Cash and cash equivalents as at end of period</b>	I	21,152	30,077	21,152	30,077

## **NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)**

### **H Details of adjustment items as follows:**

<b>GROUP</b>	<b>Note</b>	<b>Third Qtr Ended 30-Sep</b>		<b>9 months Ended 30-Sep</b>	
		<b>2019 S\$'000</b>	<b>2018 S\$'000</b>	<b>2019 S\$'000</b>	<b>2018 S\$'000</b>
Depreciation of property, plant and equipment		1,252	1,459	3,771	3,877
Amortisation of intangible assets		27	28	77	76
Amortisation of prepaid land lease payments	1(b)(i)(E)	39	13	39	40
Amortisation of right-of-use assets	1(b)(i)(E)	142	-	508	-
Gain on disposal of PPE and intangible assets		(21)	(361)	(32)	(309)
(Gain)/loss on disposal of other investments		(1)	62	(27)	155
Reversal of impairment loss		-	-	(149)	-
Share option expense		72	-	188	61
Net write-back for expected credit losses		(4)	(30)	-	(70)
Net fair value loss/(gain) on investment securities		63	(183)	(366)	10
Net fair value (gain)/loss for derivatives		-	(154)	-	116
Interest expense		28	-	90	-
Interest income		(334)	(123)	(862)	(385)
Allowance for inventory obsolescence		361	380	210	332
Effect of exchange rate changes		(1,446)	(1,266)	(2,209)	(530)
Share of results of joint venture		(7)	2	107	38
Net (reversal)/provision for severance benefits and restructuring expenses		(20)	1,909	(25)	1,853
Dividend income from other investments		(41)	(47)	(121)	(152)
<b>Total</b>		<b>110</b>	<b>1,689</b>	<b>1,199</b>	<b>5,112</b>

### **I For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise:**

<b>GROUP</b>	<b>As at 30 September</b>	
	<b>2019 S\$'000</b>	<b>2018 S\$'000</b>
Cash and bank balances	45,477	42,290
Cash and bank balance under portfolio investment management	11,012	3,883
Fixed deposits	101	100
Cash and bank balance per balance sheet	56,590	46,273
Less : Cash and bank balance under portfolio investment management	(11,012)	(3,883)
Less : Restricted cash in short-term structured deposit	(24,426)	(12,313)
<b>Cash and cash equivalents at end of period</b>	<b>21,152</b>	<b>30,077</b>

\* The decrease in cash and cash equivalents from 30 September 2018 to 30 September 2019 was mainly due to increase in investment portfolio cash deposit in Q3'19, S\$3.4 million dividend paid in May 2019, purchase of PPE and placing of excess funds in short-term structured deposit from cash generated from operating 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**

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
<b>2019</b>										
<b>Balance at 1 January 2019</b>	<b>149,596</b>	<b>98,021</b>	<b>(11,739)</b>	<b>62,921</b>	<b>521</b>	<b>(4,182)</b>	<b>3,566</b>	<b>1,252</b>	<b>(764)</b>	<b>393</b>
Profit for 1H'19	7,728	-	-	7,728	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
Foreign currency translation	(1,060)	-	-	-	-	(1,060)	-	-	-	(1,060)
Other comprehensive income	(1,060)	-	-	-	-	(1,060)	-	-	-	(1,060)
<b>Total comprehensive Income</b>	<b>6,668</b>	<b>-</b>	<b>-</b>	<b>7,728</b>	<b>-</b>	<b>(1,060)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,060)</b>
<u>Contribution 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)	-	-	-	-	-	-
<b>Total contribution by and distribution to owners</b>	<b>(3,279)</b>	<b>-</b>	<b>-</b>	<b>(3,395)</b>	<b>116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116</b>
<u>Others</u>										
Transfer to statutory reserve ( Note (i) )	-	-	-	(715)	-	-	715	-	-	715
<b>Balance at 30 June 2019</b>	<b>152,985</b>	<b>98,021</b>	<b>(11,739)</b>	<b>66,539</b>	<b>637</b>	<b>(5,242)</b>	<b>4,281</b>	<b>1,252</b>	<b>(764)</b>	<b>164</b>
Profit for Q3'19	4,680	-	-	4,680	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
Foreign currency translation	(1,746)	-	-	-	-	(1,746)	-	-	-	(1,746)
Other comprehensive income	(1,746)	-	-	-	-	(1,746)	-	-	-	(1,746)
<b>Total comprehensive Income</b>	<b>2,934</b>	<b>-</b>	<b>-</b>	<b>4,680</b>	<b>-</b>	<b>(1,746)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,746)</b>
<u>Contribution by and distribution to owners</u>										
Grant of equity-settled share options to employees	72	-	-	-	72	-	-	-	-	72
<b>Total contribution by and distribution to owners</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72</b>
<u>Others</u>										
Transfer to statutory reserve ( Note (i) )	-	-	-	(301)	-	-	301	-	-	301
<b>Balance at 30 September 2019</b>	<b>155,991</b>	<b>98,021</b>	<b>(11,739)</b>	<b>70,918</b>	<b>709</b>	<b>(6,988)</b>	<b>4,582</b>	<b>1,252</b>	<b>(764)</b>	<b>(1,209)</b>

**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
<b>2018</b>										
<b>Balance at 1 January 2018 (FRS framework)</b>	133,932	98,021	(12,997)	47,886	599	(1,281)	521	1,252	(69)	1,022
Cumulative effects of adopting SFRS(1)	103	-	-	(454)	-	-	557	-	-	557
<b>At 1 January 2018 (SFRS(1) framework)</b>	134,035	98,021	(12,997)	47,432	599	(1,281)	1,078	1,252	(69)	1,579
Profit for 1H'18	5,830	-	-	5,830	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
Foreign currency translation	1,203	-	-	-	-	1,203	-	-	-	1,203
Other comprehensive income	1,203	-	-	-	-	1,203	-	-	-	1,203
<b>Total comprehensive Income</b>	<b>7,033</b>	<b>-</b>	<b>-</b>	<b>5,830</b>	<b>-</b>	<b>1,203</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,203</b>
<u>Contribution by and distribution to owners</u>										
Treasury shares reissued pursuant to employee share option plan	424	-	1,258	-	(139)	-	-	-	(695)	(834)
Grant of equity-settled share options to employees	61	-	-	-	61	-	-	-	-	61
Dividends on ordinary shares	(2,262)	-	-	(2,262)	-	-	-	-	-	-
<b>Total contribution by and distribution to owners</b>	<b>(1,777)</b>	<b>-</b>	<b>1,258</b>	<b>(2,262)</b>	<b>(78)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(695)</b>	<b>(773)</b>
<u>Others</u>										
Transfer to statutory reserve ( Note (i) )	-	-	-	(914)	-	-	914	-	-	914
<b>Balance at 30 June 2018</b>	<b>139,291</b>	<b>98,021</b>	<b>(11,739)</b>	<b>50,086</b>	<b>521</b>	<b>(78)</b>	<b>1,992</b>	<b>1,252</b>	<b>(764)</b>	<b>2,923</b>
Profit for Q3'18	7,122	-	-	7,122	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
Foreign currency translation	(4,024)	-	-	-	-	(4,024)	-	-	-	(4,024)
Other comprehensive income	(4,024)	-	-	-	-	(4,024)	-	-	-	(4,024)
<b>Total comprehensive Income</b>	<b>3,098</b>	<b>-</b>	<b>-</b>	<b>7,122</b>	<b>-</b>	<b>(4,024)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,024)</b>
<u>Contribution by and distribution to owners</u>										
Treasury shares reissued pursuant to employee share option plan	-	-	-	-	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-
<b>Total contribution by and distribution to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Others</u>										
Transfer to statutory reserve ( Note (i) )	-	-	-	(1,001)	-	-	1,001	-	-	1,001
<b>Balance at 30 September 2018</b>	<b>142,389</b>	<b>98,021</b>	<b>(11,739)</b>	<b>56,207</b>	<b>521</b>	<b>(4,102)</b>	<b>2,993</b>	<b>1,252</b>	<b>(764)</b>	<b>(100)</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	Gain or loss on reissuance of treasury shares S\$'000	Total other reserves S\$'000
<b>2019</b>							
<b>Balance at 1 January 2019</b>	<b>90,156</b>	<b>98,021</b>	<b>(11,739)</b>	<b>4,117</b>	<b>521</b>	<b>(764)</b>	<b>(243)</b>
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)	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	<b>(3,279)</b>	<b>-</b>	<b>-</b>	<b>(3,395)</b>	<b>116</b>	<b>-</b>	<b>116</b>
<b>Balance at 30 June 2019</b>	<b>87,026</b>	<b>98,021</b>	<b>(11,739)</b>	<b>871</b>	<b>637</b>	<b>(764)</b>	<b>(127)</b>
Profit for Q3'19 , representing total comprehensive income	3,621	-	-	3,621	-	-	-
<u>Contributions by and distribution to owners</u>							
Grant of equity-settled share options to employees	72	-	-	-	72	-	72
<b>Total transactions with owners in their capacity as owners</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72</b>	<b>-</b>	<b>72</b>
<b>Balance at 30 September 2019</b>	<b>90,719</b>	<b>98,021</b>	<b>(11,739)</b>	<b>4,492</b>	<b>709</b>	<b>(764)</b>	<b>(55)</b>
<b>2018</b>							
<b>Balance at 1 January 2018</b>	<b>91,185</b>	<b>98,021</b>	<b>(12,997)</b>	<b>5,631</b>	<b>599</b>	<b>(69)</b>	<b>530</b>
Loss for 1H'18 , representing total comprehensive income	(799)	-	-	(799)	-	-	-
<u>Contributions by and distribution to owners</u>							
Grant of equity-settled share options to employees	61	-	-	-	61	-	61
Treasury shares reissued pursuant to employee share option plan	424	-	1,258	-	(139)	(695)	(834)
Dividends on ordinary shares	(2,262)	-	-	(2,262)	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	<b>(1,777)</b>	<b>-</b>	<b>1,258</b>	<b>(2,262)</b>	<b>(78)</b>	<b>(695)</b>	<b>(773)</b>
<b>Balance at 30 June 2018</b>	<b>88,609</b>	<b>98,021</b>	<b>(11,739)</b>	<b>2,570</b>	<b>521</b>	<b>(764)</b>	<b>(243)</b>
Profit for Q3'18 , representing total comprehensive income	118	-	-	118	-	-	-
<b>Balance at 30 September 2018</b>	<b>88,727</b>	<b>98,021</b>	<b>(11,739)</b>	<b>2,688</b>	<b>521</b>	<b>(764)</b>	<b>(243)</b>

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 30 September 2019 and 30 June 2019 is 246,656,428.

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

	As at 30/9/2019	As at 30/9/2018
Options granted under the InnoTek Employees' Share Option Scheme II **	7,500,000	5,000,000
	<u>7,500,000</u>	<u>5,000,000</u>

\*\* 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 were granted to him on 9 March 2017 at an option price of S\$0.35. On 29 March 2019, another 2,500,000 share options was granted to Mr. Lou at an option price of S\$0.52. 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. This offer was announced in SGX on the 29 March 2019.

**(b) Treasury Shares**

	No of shares '000	S\$'000
Balance as at 30 September 2019 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 corresponding period of the immediately preceding financial year.

	As at 30/9/2019		As at 30/9/2018	
	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, 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.

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 in the current financial year, the Group has adopted all the new and revised standards which are effective for the annual financial periods beginning on or after 1 January 2019.

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 1 January 2019, the Group adopted SFRS(I) 16 Leases, which is effective for annual financial periods beginning on or after 1 January 2019. The changes arising from the adoption of SFRS(I) 16, have been applied retrospectively and the Group has not restated comparative information in the year of initial application. The comparative information was prepared in accordance with the requirement of SFRS(I) 1-17 Leases. Upon adoption of SFRS(I) 16 , the Group recognised right-of-use assets of S\$1,938,000 and lease liabilities of S\$1,938,000 as at 1 January 2019. In addition, the Group reclassified prepaid land lease payments of S\$1,753,000 to right-of-use assets as at 1 January 2019.

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 :	Third Qtr Ended 30 September		9 Months Ended 30 September	
	2019	2018	2019	2018
(i) Based on the weighted average number of shares ( in cents )				
Earning per share	2.07	3.15	5.48	5.76
Weighted average number of shares ( '000)	226,305	226,305	226,305	225,036
(ii) On a fully diluted basis ( in cents )				
Earning per share	2.05	3.13	5.43	5.72
Adjusted weighted average number of shares ( '000)	228,252	227,785	228,411	226,520

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-Sep-19	As at 31-Dec-18	As at 30-Sep-19	As at 31-Dec-18
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	68.9 cents	66.1 cents	40.1 cents	39.8 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 Quarter ended 30 September 2019 (Q3'19)**

	Q3'19 S\$'000	Q3'18 S\$'000	Q3'19 vs Q3'18 S\$'000	Q3'19 vs Q3'18 %
<b>Turnover</b>				
MSF - In S\$	46,405	62,506	(16,101)	(25.8)
<b>Net profit attributable to owners of the parent</b>				
MSF - before exchange rate impact	4,072	6,565	(2,493)	(38.0)
Exchange gain	528	439	89	20.3
<b>MSF Group</b>	<b>4,600</b>	<b>7,004</b>	<b>(2,404)</b>	<b>(34.3)</b>
InnoTek - before exchange rate impact	(150)	99	(249)	(251.5)
Exchange gain	230	19	211	NM
<b>InnoTek</b>	<b>80</b>	<b>118</b>	<b>(38)</b>	<b>(32.2)</b>
InnoTek Group - before exchange rate impact	3,922	6,664	(2,742)	(41.1)
Exchange gain	758	458	300	65.5
<b>Total InnoTek Group</b>	<b>4,680</b>	<b>7,122</b>	<b>(2,442)</b>	<b>(34.3)</b>
<b>Basic EPS (cents)</b>	<b>2.07</b>	<b>3.15</b>	<b>(1.08)</b>	<b>(34.3)</b>

NM denotes "Not meaningful"

**Turnover (Q3'19 vs Q3'18)**

The Group's revenue for the July-to-September 2019 quarter ("Q3'19") decreased S\$16.1 million or 25.8% to S\$46.4 million from S\$62.5 million in Q3'18. The lower revenue was mainly due to:

- (1) Revenue for TV and Display products decreased in Q3'19 compared to Q3'18 mainly due to a significant drop in demand for precision-machined products. The industry is trending towards plastic frames for less than 55 inches TV, resulting in a reduction in sales of bezels under 55 inches, offset by growing demand for larger-size TV bezels. As the Group's current commercial display products and heatsinks orders are coming to its tail-end, revenue from this segment has also decreased. This was however offset by higher revenue for TV back panel from the stamping segment.
- (2) Revenue decreased for Auto products in Q3'19 compared to Q3'18, following China's year-on-year auto sales decline for the 15<sup>th</sup> consecutive months. From January to September 2019, China's production and sales of automobiles decreased by 11.4% and 10.3% respectively compared with the same period last year (Source: China Association of Automobile Manufacturers). Some customers brought forward end-of-life of their existing products and slowed down the launch of new products.
- (3) Revenue from Office Automation ("OA") products decreased in Q3'19 compared to Q3'18 mainly due to lower demand of office automation products across the industry.

**Net Profit (Q3'19 vs Q3'18)**

InnoTek Group Q3'19 profit was S\$4.7 million, a decrease of S\$2.4 million compared to profit of S\$7.1 million in Q3'18 mainly due to:

- (1) Mansfield Group ("MSF") recorded a profit of S\$4.6 million in Q3'19, S\$2.4 million lower than the profit of S\$7.0 million in Q3'18 due mainly to:
  - a) Reduction in sales

Offset

  - b) Lower expenses such as reduction in headcount and improved production efficiency, resulting in lower direct and indirect wages, and selling and distribution expense.
  - c) Q3'18 provision of S\$2 million for WeiHai exit expense not repeated in Q3'19.
- (2) InnoTek recorded a profit of S\$80K in Q3'19, S\$38K lower than the profit of S\$118K in Q3'18 due mainly to lower gain from the investment portfolio (Note 1(a)(i)(c)). Also there was expenses in Q3'19 for stock option granted to CEO which was not in Q3'18. This was offset by higher exchange gain of S\$211K derived from the repayment of loan by Mansfield Hong Kong.

**(B) Review for the 9 months ended 30 September 2019 (9M'19)**

	9M'19 S\$'000	9M'18 S\$'000	9M'19 vs 9M'18 S\$'000	9M'19 vs 9M'18 %
<b>Turnover</b>				
MSF - In S\$	135,732	162,484	(26,752)	(16.5)
<b>Net profit/(loss) attributable to owners of the parent</b>				
MSF - before exchange rate impact	11,557	13,697	(2,140)	(15.6)
Exchange gain/( loss)	622	(64)	686	1,071.9
<b>MSF Group</b>	<b>12,179</b>	<b>13,633</b>	<b>(1,454)</b>	<b>(10.7)</b>
InnoTek - before exchange rate impact	(13)	(749)	736	98.3
Exchange gain	242	68	174	255.9
<b>InnoTek</b>	<b>229</b>	<b>(681)</b>	<b>910</b>	<b>133.6</b>
InnoTek Group - before exchange rate impact	11,544	12,948	(1,404)	(10.8)
Exchange gain	864	4	860	NM
<b>Total InnoTek Group</b>	<b>12,408</b>	<b>12,952</b>	<b>(544)</b>	<b>(4.2)</b>
<b>Basic EPS (cents)</b>	<b>5.48</b>	<b>5.76</b>	<b>(0.28)</b>	<b>(4.9)</b>

NM denotes " Not meaningful"

**Turnover (9M'19 vs 9M'18)**

The Group's revenue for the January-to-September 2019 period ("9M'19") decreased by S\$26.8 million or 16.5% to S\$135.7 million from S\$162.5 million in 9M'18. The lower revenue was mainly due to the same reasons for the lower revenue for Q3'19 as compared to Q3'18.

**Net Profit (9M'19 vs 9M'18)**

The InnoTek Group recorded a profit of S\$12.4 million for 9M'19, lower by S\$0.5 million from the profit of S\$12.9 million in 9M'18, due mainly to:

- (1) Mansfield Group ("MSF") profit was S\$12.2 million in 9M'19, S\$1.4 million lower than the profit of S\$13.6 million in 9M'18 due mainly to:

Unfavourable variance

- (a) Lower gross profit ("GP") of S\$4.3 million due to lower sales in 9M'19 compared to 9M'18. Despite the lower sales, the Group was able to maintain the GP margin at 22.4% in 9M'19 compared to 21.3% in 9M'18 due to the ongoing implementation for cost reduction initiatives by the Group such as automation to reduce headcount and incentives to improve productivity.
- (b) Write-back of 2017 tax provision in Q2'18 amounting to S\$2.1 million (RMB9.9 million) following the award by Guangdong Provincial government agencies in May 2018 of high technology tax concession of 15% for 3 years starting 2017. There was no such reversal in 9M'19.

Offset by favorable variance

- (c) Lower costs of development of new products recognized in 9M'19 compared to 9M'18.
  - (d) Q3'18 provision for Wei Hai exit expenses of S\$2 million not repeated in Q3'19.
  - (e) Exchange gain of S\$622K in 9M'19, favourable by S\$686K compared to the exchange loss of S\$64K in 9M'18 due to strengthening of the HK\$ against RMB in 9M'19 compared to 9M'18 for HK\$ intercompany receivables from and RMB intercompany payables by HK subsidiaries.
- (2) InnoTek's profit in 9M'19 was S\$0.2 million, favourable by S\$0.9 million compared to the loss of S\$0.7 million in 9M'18 due mainly to:
    - (a) net investment portfolio gain managed by the investment bank in 9M'19 compared to a loss in 9M'18 (refer to 1(a)(i) (c)).
    - (b) Exchange gain of S\$242K in 9M'19 arising mainly from the repayment of HK\$-base loan by Mansfield Hong Kong as the current HK\$ strengthens against the S\$ compared to historical rate. As the loan was treated as investment loan, it was stated at historical rate.

**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**

The Sino-U.S. trade dispute continues to take its toll on the China economy. China released third-quarter GDP figures in October 2019 showing the economy grew 6.0% from a year ago, which was slower than expected. The uncertainty from the ongoing trade war may continue to have adverse effect on China's economy over the medium-long term. The difficult operating environment is expected to continue, and the Group expects to continue to face challenges ahead.

The Group has commenced mass production of new orders for the automobile segment. However, overall demand is on the decline, with customers adjusting their production due to over-capacity in the market, resulting in an unstable order forecast for the rest of the year which may continue into 2020 if the China economy continues to slow down. However, the Group expects some customers to gradually launch their new auto programmes in 2020.

Production of TV bezels for high-definition ("HD") screens below 55 inches is on the decline following the accelerated conversion to plastic. However, it is expected that the demand will continue for larger-size HDTV bezels. Revenue for the rest of the year will be impacted by the end-of-life for heatsink and commercial display programmes.

Due to the uncertainty of the economy caused by Sino-US trade dispute, the Group is moving ahead cautiously. The Group will continue to increase its production automation and streamline employee incentive schemes to improve productivity after further reductions in headcount. Both revenue and profit will continue to be impacted for the rest of 2019 and possibly into 2020 if the China economy continues to slow down.

Barring unforeseen circumstances, the Group expect to be profitable for the year ended 2019.

**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 9 months ended 30 September 2019**

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 Rule 920) 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	108,231	N/A
Dongguan Grand Mould Plastic Co., Ltd	124,570	NA
All Brilliant Ltd	92,278	NA
Anhui KM Technology	315,717	N/A
Wuhan Grand Mould Plastic Co. Ltd	601,174	N/A

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

- 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 third quarter ended 30 September 2019 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  
11 November 2019

