

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS 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 2017

Group	Note	Quarter Ended 31-Mar		Change %
		2017 S\$'000	2016 S\$'000	
Revenue		51,084	52,961	(3.5)
Cost of sales	1(a)(i)(a)	(41,374)	(44,934)	(7.9)
Gross Profit		9,710	8,027	21.0
Other items of expense				
Selling and distribution		(1,045)	(890)	17.4
Administrative expense	1(a)(i)(b)	(5,650)	(6,166)	(8.4)
Finance cost		-	(36)	NM
Share of joint venture profit	1(b)(i)(A)	(24)	66	NM
Other expenses	1(a)(i)(c)	(678)	(2,090)	(67.6)
Total other item of expenses		(7,397)	(9,116)	(18.9)
Other items of income				
Interest income		135	59	128.8
Other income	1(a)(i)(d)	1,416	843	68.0
Total other items of Income		1,551	902	72.0
Profit/(loss) before taxation and non-controlling interest		3,864	(187)	NM
Tax expense	1(a)(i)(o)	(1,318)	(321)	310.6
Profit/(loss) , net of tax		2,546	(508)	NM
Other comprehensive income :				
Foreign currency translation		(2,639)	(2,725)	(3.2)
Realisation of fair value gain on disposal of available-for-sale financial assets		-	-	NM
Net loss on fair value changes of available-for-sale financial assets		-	-	NM
Other comprehensive income , net of tax		(2,639)	(2,725)	(3.2)
Total comprehensive income for the period		(93)	(3,233)	(97.1)
Profit/(loss) attributable to :				
Owners of the parent		2,546	(508)	NM
Non-controlling interests		-	-	NM
Profit/(loss), net of tax		2,546	(508)	NM
Total comprehensive income attributable to :				
Owners of the parent		(93)	(3,233)	(97.1)
Non-controlling interests		-	-	NM
Total comprehensive income for the period		(93)	(3,233)	(97.1)
Earnings/(loss) per share (cents)				
Basic	Para 6	1.14	(0.23)	NM
Diluted	Para 6	1.13	(0.23)	NM
NM denotes Not Meaningful				

Notes to Group Consolidated Statement of Comprehensive Income

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

	Note	Quarter Ended	
		31-Mar	
		2017	2016
		SS'000	SS'000
(a) Included in cost of sales are :			
- Inventories recognised as an expense in cost of sales		(20,884)	(21,294)
- Write-back for inventory obsolescence		61	194
- Depreciation of property, plant and equipment ("PPE")	1(a)(i)(e)	(1,033)	(1,309)
- Wages and salaries	1(a)(i)(f)	(9,489)	(11,623)
(b) Included in administrative expenses are :			
- Depreciation of property, plant and equipment ("PPE")		(328)	(307)
- Amortisation of prepaid land lease payments		(22)	(23)
- Amortisation of intangible assets		(22)	(77)
- Wages and salaries	1(a)(i)(g)	(2,997)	(2,946)
(c) Included in other expenses are :			
- Loss on disposal of held for trading investments	1(a)(i)(h)	(18)	(136)
- Net fair value loss on held for trading investments	1(a)(i)(i)	(156)	(524)
- Foreign currency loss	1(a)(i)(j)	(523)	(1,429)
(d) Included in other income are :			
- Write-back of allowance for doubtful debts	1(a)(i)(k)	263	34
- Property rental income	1(a)(i)(l)	387	307
- Dividend income from investment securities	1(a)(i)(m)	49	46
- Gain on disposal of PPE		24	29
- Gain on derivative	1(a)(i)(n)	285	246

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

- (e) Depreciation for Q1'17 was lower than Q1'16 due mainly to the lesser PPE addition and disposal of old PPE in 2016.
- (f) Q1'17 wages and salaries were lower mainly due to a decrease in direct and indirect labor headcount and overtime expense. (Headcount: March 2017 = 2,832, March 2016 =3,391)
- (g) Q1'16 wages and salaries were lower mainly due to higher provision for bonus as a result of Q1'17 profit as against Q1'16 loss. This was offset by lower G&A headcount and reduction of overtime expense
- (h) This relates to loss or gain on disposal of investment securities under investment portfolio managed by an investment bank.
- (i) This relates to fair value loss from investment securities under investment portfolio managed by an investment bank.
- (j) The foreign currency loss in Q1'17 was mainly due to the weakening of HK\$ vs RMB in Q1'17 (mainly from HK\$ intercompany receivable from and CNY intercompany payable by HK subsidiaries). Q1'16 loss was due to the weakening of the HK\$ vs S\$ from the S\$ loans extended to Mansfield Manufacturing. Effective 1 July 2016, these loans had been converted to a long-term loan. Under FRS 21, exchange rate differences arising from such long-term loan that forms part of InnoTek's net investment in a foreign operation shall be recognized initially to other comprehensive income (part of shareholder's equity reserve) in the consolidated financial statement and reclassified from equity to profit or loss on disposal of the net investment.
- (k) Relates to a write-back of provision S\$0.3 million made in December 2015 but managed to collect back in Q1'17.
- (l) This relates to the investment property which was rented out by Magix Dongguan
- (m) This relates to the dividend from equities and bonds under the investment portfolio managed by an investment bank.
- (n) This relates to unrealized fair value gain on forward contracts under an investment portfolio managed by an investment bank.
- (o) Higher tax expense provision mainly from profit making subsidiary Magix Dongguan which have utilized the carried forward losses in Q1'17 whereas there was carried forward losses to offset in Q1'16.

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 31-Mar-17 S\$'000	As at 31-Dec-16 S\$'000	As at 31-Mar-17 S\$'000	As at 31-Dec-16 S\$'000
Non-current Assets					
Property, plant and equipment ("PPE")		34,856	36,467	8	10
Investment property		16,480	16,919	-	-
Prepaid land lease payment		3,273	3,383	-	-
Intangible assets		119	144	22	26
Investment in subsidiary		-	-	47,061	47,061
Investment in joint venture	A	1,455	1,521	-	-
Loan to subsidiary		-	-	24,792	25,702
Deposit paid for purchases of property, plant and equipment		287	572	-	-
Other receivables	B	1,398	1,431	-	-
Deferred tax assets		2,757	3,265	-	-
		60,625	63,702	71,883	72,799
Current Assets					
Inventories		24,061	23,759	-	-
Trade and other receivables		56,405	63,559	3,542	3,310
Tax recoverables		56	58	-	-
Prepayments		710	821	63	66
Held for trading financial assets	C	15,801	15,332	15,801	15,332
Derivatives	D	116	20	116	20
Cash and short-term deposit	E	34,204	30,090	3,613	4,576
		131,353	133,639	23,135	23,304
Total Assets		191,978	197,341	95,018	96,103
Current Liabilities					
Finance lease	1(b)(ii)	23	23	-	-
Trade and other payables		60,573	66,272	827	683
Provisions	F	131	135	-	-
Derivatives	D	1	190	1	190
Tax payable		3,596	2,944	49	1
		64,324	69,564	877	874
Net Current Assets		67,029	64,075	22,258	22,430
Non-current Liabilities					
Provision	F	675	693	-	-
Finance lease		45	50	-	-
Deferred tax liabilities		2,166	2,214	318	318
		2,886	2,957	318	318
Total Liabilities		67,210	72,521	1,195	1,192
Net Assets		124,768	124,820	93,823	94,911
Share capital		98,021	98,021	98,021	98,021
Treasury shares		(13,164)	(13,164)	(13,164)	(13,164)
Share option reserve		310	269	310	269
Retained earnings		42,797	40,251	8,656	9,785
Translation reserves		(3,196)	(557)	-	-
Total Equity		124,768	124,820	93,823	94,911

Notes to Group Balance Sheet

- A 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 Group recognized its share of the loss of S\$24K from the JV in Q1’17.
- B These are mainly long-term rental and utilities deposit for PRC factory facilities.
- C 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.
- D These derivatives are the unrealized fair value gains or losses from forward contracts under the portfolio investment.
- E The increase in cash and bank balances in Q1’17 was mainly due to positive cash generated from operation.
- F 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-17 S\$'000	As at 31-Dec-16 S\$'000
Amount repayable in one year or less, on demand		
- Secured	23	23
- Unsecured	-	-
	23	23
Amount repayable after one year		
- Secured	45	50
- Unsecured	-	-
	45	50
Total	68	73

Details of any collateral

Total borrowings as at 31 March 2017 amounted to S\$0.1 million mainly due to lease financing (31 December 2016: 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	
		2017 S\$'000	2016 S\$'000
Cash flows from operating activities :			
Profit/(loss) before tax		3,864	(187)
Adjustment items	I	(2,081)	(1,435)
Cash flows from/(used in) operations before reinvesting in working capital		1,783	(1,622)
Working capital changes , excluding changes relating to cash		1,627	2,503
Cash generated from operating activities		3,410	881
Net interest and income tax paid		(54)	(229)
Net cash generated from operating activities		3,356	652
Cash flows from investing activities :			
Purchase of property, plant and equipment ("PPE")		(677)	(210)
Deposit refund for property, plant and equipment		285	58
Proceeds from sale of PPE		24	44
Additions to intangible assets		-	(11)
Proceeds from sale of investment securities		2,066	3,083
Acquisition of Investment securities under portfolio management		(2,705)	(3,710)
Dividend from investment securities		49	46
Investment in joint venture		-	(507)
Deposit in an investment portfolio account		601	600
Increase in pledged time deposits		-	(703)
Effect of exchange rate changes	J	1,501	2,655
Net cash generated from investing activities		1,144	1,345
Cash flows from financing activities :			
Increase in short term financing		-	303
Effect of exchange rate changes		(4)	(24)
Net cash (used in)/generated from financing activities		(4)	279
Net change in cash and cash equivalents		4,496	2,276
Effect of exchange rate changes on cash and cash equivalents		220	309
Cash and cash equivalents as at beginning of period		29,060	22,783
Cash and cash equivalents as at end of period	K	33,776	25,368

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

I Details of adjustment items as follows:

GROUP	Note	Quarter Ended 31-Mar	
		2017 S\$'000	2016 S\$'000
Depreciation of property, plant and equipment (PPE)		1,361	1,616
Amortisation of intangible assets		22	77
Amortisation of prepaid land lease payments		22	23
Gain on disposal of PPE and intangible assets		(24)	(29)
Loss on disposal of held for trading investments	1(a)(i)(i)	18	136
Gain on disposal of other investments	1(a)(i)(m)	-	-
Share option expense		41	18
Allowance for doubtful debts written back		(263)	(34)
Net fair value loss on held for trading investments	1(a)(i)(j)	156	524
Net fair value gain for derivatives	1(a)(i)(n)	(285)	(246)
Interest expense		-	36
Interest income		(135)	(59)
Write-back of inventory obsolescence		(61)	(194)
Effect of exchange rate changes		(2,908)	(3,194)
Share of results of joint venture		24	(66)
Provision for severance benefits and restructuring expenses		-	3
Dividend income from investment securities		(49)	(46)
Total		<u>(2,081)</u>	<u>(1,435)</u>

J This mainly came from fixed assets translation loss resulting from the change in HK\$/S\$ exchange rate in December 2016 and March 2017.

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

GROUP	As at 31 March	
	2017 S\$'000	2016 S\$'000
Cash and bank balances	31,676	23,724
Cash and bank balance under portfolio investment management	428	489
Fixed deposits	2,100	3,655
Total cash and bank balance per balance sheet	34,204	27,868
Less: Cash and bank balance under portfolio investment management	(428)	(489)
Less: Pledged fixed deposit and restricted cash	-	(2,011)
Net cash and bank balance	33,776	25,368
Less: Bank overdrafts	-	-
Cash and cash equivalents at end of period	33,776	25,368 *

* The increase in cash and cash equivalents from 31 March 2016 to 31 March 2017 was mainly due to positive cash generated from operation.

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	Attributable to owners of the parents							Equity attributable to owners of the parent, total S\$'000	Non-controlling Interest S\$'000	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	Fair value adjustment reserve S\$'000	Total other Reserve S\$'000			

2017

Balance at 1 January 2017	98,021	(13,164)	40,251	269	(557)	-	(288)	124,820	-	124,820
Profit for Q1'17	-	-	2,546	-	-	-	-	2,546	-	2,546
Other Comprehensive Income										
Foreign currency translation	-	-	-	-	(2,639)	-	(2,639)	(2,639)	-	(2,639)
Other comprehensive income	-	-	-	-	(2,639)	-	(2,639)	(2,639)	-	(2,639)
Total comprehensive Income	-	-	2,546	-	(2,639)	-	(2,639)	(93)	-	(93)
Contribution by and distribution to owners										
Share Option expense	-	-	-	41	-	-	41	41	-	41
Total contribution by and distribution to owners	-	-	-	41	-	-	41	41	-	41
Balance at 31 March 2017	98,021	(13,164)	42,797	310	(3,196)	-	(2,886)	124,768	-	124,768

2016

Balance at 1 January 2016	98,021	(13,164)	28,655	75	2,639	-	2,714	116,226	-	116,226
Loss for Q1'16	-	-	(508)	-	-	-	-	(508)	-	(508)
Other Comprehensive Income										
Foreign currency translation	-	-	-	-	(2,725)	-	(2,725)	(2,725)	-	(2,725)
Other comprehensive income	-	-	-	-	(2,725)	-	(2,725)	(2,725)	-	(2,725)
Total comprehensive Income	-	-	(508)	-	(2,725)	-	(2,725)	(3,233)	-	(3,233)
Contribution by and distribution to owners										
Share Option expense	-	-	-	18	-	-	18	18	-	18
Total contribution by and distribution to owners	-	-	-	18	-	-	18	18	-	18
Balance at 31 March 2016	98,021	(13,164)	28,147	93	(86)	-	7	113,011	-	113,011

Statement of changes in equity (Cont'd)

COMPANY	Attributable to owners of the parents						Total equity S\$'000
	Issued Capital S\$'000	Treasury Shares S\$'000	Retained earnings S\$'000	Share Option Reserve S\$'000	Fair Value Adjustment Reserve S\$'000	Total Other reserves S\$'000	

2017

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

2016

Balance at 1 January 2016	98,021	(13,164)	9,098	75	-	75	94,030
Profit for Q1'16	-	-	(1,056)	-	-	-	(1,056)
Total comprehensive income	-	-	(1,056)	-	-	-	(1,056)
<u>Contributions by and distribution to owners</u>							
Share option expense	-	-	-	18	-	18	18
Total transactions with owners in their capacity as owners	-	-	-	18	-	18	18
Balance at 31 March 2016	98,021	(13,164)	8,042	93	-	93	92,992

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

	As at 31/3/2017	As at 31/12/2016
Options granted under the InnoTek Employees' Share Option Plan I*	970,000	970,000
Options granted under the InnoTek Employees' Share Option Scheme II**	6,500,000	3,500,000
	<u>7,470,000</u>	<u>4,470,000</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. No options were forfeited in Q1'17 due to staff resignation.

** 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.

(b) Treasury Shares

	No of shares '000	S\$'000
Balance as at 1 January and 31 March 2017	<u>22,821</u>	<u>13,164</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 31/3/2017		As at 31/3/2016	
	No of shares '000	\$'000	No of shares '000	\$'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	(22,821)	(13,164)	(22,821)	(13,164)
Net number of issued shares at the end of period	<u>223,835</u>	<u>84,857</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.

None

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.

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

None.

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/(loss) attributable to the shareholders of the Company :	Quarter Ended 31 March	
	2017	2016
(i) Based on the weighted average number of shares (in cents)		
Earning/(loss) per share	1.14	(0.23)
Weighted average number of shares ('000)	223,835	223,835
(ii) On a fully diluted basis (in cents)		
Earning/(loss) per share	1.13	(0.23)
Adjusted weighted average number of shares ('000)	225,780	223,835

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-17	As at 31-Dec-16	As at 31-Mar-17	As at 31-Dec-16
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	55.7 cents	55.8 cents *	41.9 cents	42.4 cents

* Reduced slightly mainly due to translation loss as a result of weakening of HK\$ /\$\$ exchange rate as at March 2017 (5.56) compared to 31 December 2016 (5.36)

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 2017 (Q1'17)

	Q4'16 S\$'000	Q1'17 S\$'000	Q1'16 S\$'000	Q1'17 vs Q1'16 S\$'000	Q1'17 vs Q1'16 %
Turnover					
MSF	55,388	51,084	52,961	(1,877)	(3.5)
Net Profit/(loss) attributable to owners of the parent					
MSF - before exchange rate impact	3,548	3,079	1,564	1,515	96.9
Exchange gain /(loss)	1,068	(315)	(1,015)	700	69.0
MSF Group	4,616	2,764	549	2,215	403.5
InnoTek - before exchange rate impact	126	(11)	(643)	632	98.3
Exchange gain /(loss)	15	(207)	(414)	207	50.0
InnoTek	141	(218)	(1,057)	839	79.4
InnoTek Group - before exchange rate impact	3,674	3,068	921	2,147	233.1
Exchange gain /(loss)	1,083	(522)	(1,429)	907	63.5
Total Innotek Group	4,757	2,546	(508)	3,054	(601.2)
Basic EPS (cents)	2.13	1.14	(0.23)	1.37	NM

NM denotes " Not meaningful"

Turnover

The Group's revenue for the January-to-March 2017 quarter ("Q1'17") decreased S\$1.9 million or 3.5% to S\$51.1 million from S\$53.0 million in Q1'16.

The lower revenue was mainly due to:

- (1) Revenue decline from the Precision Components segment, due to lower demand for office automation and consumer products. Certain major Japanese customers have also allocated new production programmes to plants outside of China. In addition sales for automotive products were slightly lower as current programmes are nearing end-of-life while mass production from some newly secured automotive programmes has just started.

This was offset by:

- (2) Revenue increase from the Precision Machining (previously named as Precision subassembly) due mainly to the higher sales from TV Bezel programmes in Q1'17 as compared to Q1'16.
- (3) Tooling sales increased in Q1'17 compared to Q1'16. Tooling sales in Q1'16 was affected by the relocation of Feng Chuan Dongguan to consolidate its operations with Suns Mansfield Dongguan.

Net Profit

InnoTek Group recorded a profit (before exchange loss) of S\$3.1 million in Q1'17, higher by S\$2.2 million compared to the profit (before exchange loss) of S\$0.9 million in Q1'16 due mainly to:

- (1) Mansfield Group ("MSF") profit (before exchange loss) of S\$3.1 million in Q1'17 compared to a profit (before exchange loss) of S\$1.6 million in Q1'16 due mainly to:
 - a) Despite lower revenue, MSF's gross profit ("GP") margin increase to 19.0% in Q1'17 from 15.1% in Q1'16 mainly due to:
 - (i) Lower salaries and wages
 - (ii) Lower depreciation of PPE as a result of lesser PPE addition and disposal of old PPE in 2016.
 - b) Write-back of doubtful debts of \$0.2 million provided in December 2015 after payment was collected in Q1'17.
 - c) Lower G&A expenses mainly from business tax and statutory charges, motor vehicles expense and travelling expenses

Offset by

- d) Higher taxes expense mainly from profit making Magix as it fully utilized the carried forward losses from previous years
- (2) InnoTek's loss (before exchange loss) in Q1'17 was a marginal S\$11K compared to a loss of S\$0.6 million in Q1'16 due mainly to lower fair value loss and loss on disposal of investment securities managed by an investment bank in Q1'17 compared to Q1'16.

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 operating environment in China for all three business segments that the Company is involved in – automotive, office automation (“OA”) and TV – continues to remain challenging and highly competitive.

Several of our major OA customers have, in their attempt to adjust to the rising cost pressures, relocated some of their production to lower-cost countries in Southeast Asia. To support a major customer which has relocated to Thailand and to maintain strong relationship and orders from such customer, InnoTek has decided to invest and establish its own manufacturing operations in Thailand starting this financial year. As the establishment of such a new manufacturing location will require much time and effort, operational activities in Thailand will be supported from Dongguan until the Thailand facilities are stabilized in FY2018.

The TV segment, on the other hand, is expected to remain relatively stable for the financial year ahead as demand for bigger and higher definition (“4K” and “8K”) panels is expected to be driven by the rising consumer affluence. As a result of the management team’s efforts to build trust and relationships with domestic customers in FY2016, the Group expects to see a rise in orders for TV bezels in FY2017.

For the automotive segment, the production and sales of automobiles in China continue to register growth on a yearly basis for the first two months of 2017, according to the China Association of Automobile Manufacturers (“CAAM”). The Group will focus on riding this wave of growth and hopes to secure more automobile programmes in the year ahead.

The Group remains cautiously optimistic about our outlook for FY2017 even as we strive to improve efficiency and further fine-tune our operations. A lot more effort will be needed to further improve the internal capabilities and quality of the Group’s operations.

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 2017

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	8,378	N/A
Anhui KM Technology	839,186	N/A
Toyoichi Tsusho Co., Ltd	19,426	N/A
Wuhan Grand Mould Plastic Co. Ltd	148,375	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 2017 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
28 April 2017