

**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 Second Quarter ended 30 June 2018

Group	Note	Quarter Ended 30-Jun		Change %	6 months Ended 30-Jun		Change %
		2018 S\$'000	2017 (Restated) S\$'000		2018 S\$'000	2017 (Restated) S\$'000	
Revenue		52,366	49,075	6.7	99,978	100,185	(0.2)
Cost of sales	1(a)(i)(a)	(41,803)	(41,349)	1.1	(81,988)	(82,760)	(0.9)
Gross profit		10,563	7,726	36.7	17,990	17,425	3.2
Other items of expense							
Selling and distribution		(893)	(1,083)	(17.5)	(1,787)	(2,128)	(16.0)
Administrative expense	1(a)(i)(b)	(6,231)	(6,089)	2.3	(12,330)	(11,739)	5.0
Finance cost		-	(1)	(100.0)	-	(1)	(100.0)
Share of joint venture (loss)/profit	1(b)(i)(B)	(36)	72	NM	(36)	48	NM
Other expenses	1(a)(i)(c)	(287)	(410)	(30.0)	(940)	(1,088)	(13.6)
Total other item of expenses		(7,447)	(7,511)	(0.9)	(15,093)	(14,908)	1.2
Other items of income							
Interest income		107	142	(24.6)	262	277	(5.4)
Other income	1(a)(i)(c)	1,434	433	231.2	2,353	1,849	27.3
Total other items of income		1,541	575	168.0	2,615	2,126	23.0
Profit before taxation		4,657	790	489.5	5,512	4,643	18.7
Tax credit/(expense)		1,056	(254)	NM	318	(1,572)	NM
Profit for the period attributable to owners of the company		5,713	536	965.9	5,830	3,071	89.8
Other comprehensive income :							
Foreign currency translation		(782)	421	NM	1,203	(2,218)	NM
Other comprehensive income , net of tax		(782)	421	NM	1,203	(2,218)	NM
Total comprehensive income for the period , net of tax		4,931	957	415.3	7,033	853	724.5
Earnings per share (cents)							
Basic	Para 6	2.53	0.24	954.2	2.60	1.37	89.8
Diluted	Para 6	2.51	0.24	945.8	2.58	1.36	89.7
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 30-Jun		6 months Ended 30-Jun	
		2018	2017	2018	2017
		SS'000	SS'000	SS'000	SS'000 (Restated)
(a) Included in cost of sales are :					
- Inventories recognised as an expense in cost of sales		(20,950)	(19,782)	(41,027)	(40,702)
- (Allowance)/write-back for inventory obsolescence		(2)	142	48	203
- Depreciation of property, plant and equipment ("PPE")	1(a)(i)(d)	(948)	(936)	(1,795)	(1,969)
- Wages and salaries	1(a)(i)(e)	(9,419)	(9,331)	(18,206)	(18,820)
(b) Included in administrative expenses are :					
- Depreciation of PPE		(335)	(343)	(623)	(671)
- Amortisation of prepaid land lease payments		(14)	(19)	(27)	(41)
- Amortisation of intangible assets		(29)	(22)	(48)	(44)
- Wages and salaries	1(a)(i)(f)	(3,217)	(2,946)	(6,291)	(5,943)
(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)	(59)	(4)	(93)	(22)
Net fair value gain/(loss) on held for trading investments	1(a)(i)(h)	171	(104)	(193)	(260)
Dividend income from investment securities	1(a)(i)(i)	77	57	105	106
Foreign currency (loss)/gain - realised forward contract		(63)	115	122	66
(Loss)/gain on derivative (unrealised)	1(a)(i)(j)	(205)	(121)	(270)	164
		<u>(79)</u>	<u>(57)</u>	<u>(329)</u>	<u>54</u>
- Foreign currency gain/(loss) - others	1(a)(i)(k)	135	(420)	(454)	(894)
- Write-back/(allowance) for doubtful debts	1(a)(i)(l)	16	(136)	40	127
- Property rental income	1(a)(i)(m)	823	477	1,527	864
- (Loss) /gain on disposal of PPE		(23)	(1)	(52)	23

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

- (d) Depreciation for Q2'18 was higher than Q2'17 due mainly to higher depreciation from addition of new robotic arms but offset by lower leasehold building depreciation from conversion to 2 leasehold buildings to investment properties in 2nd and 3rd quarter of 2017.
- (e) Q2'18 wages and salaries were slightly higher mainly due to higher shift allowance and bonus provision offset by decrease in direct and indirect labour headcount. (Headcount: June 2018 = 2,340, June 2017 =2,560). Increase in minimum wage and employment of higher skill workers to get ready for mass production in future quarters with newly installed robotic arms also affected the Q2'18 wages and salaries for certain entities.
- (f) Q2'18 wages and salaries were higher mainly due to higher G&A headcount coming from newly incorporated subsidiaries, Mansfield Weihai and Mansfield Thailand. (Headcount: June 2018 = 307, June 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 gain or 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 gain in Q2'18 was mainly due to the strengthening of HK\$ vs RMB (mainly from HK\$ intercompany receivable from and CNY intercompany payable by HK subsidiaries) and the strengthening of HK\$ vs S\$ for interest receivable from loan to a subsidiary (Note 1(b)(i) A)
- (l) Q2'17 relates mostly to provision for two long outstanding tooling deposit receivables with quality issues and after negotiation with customers, decided to waive the receivable to compensate them for rework cost. This was not repeated in Q2'18.
- (m) These relate to the investment properties from Magix Mechatronics (Dongguan) Co. Ltd and Mansfield (Suzhou) Manufacturing Co. Ltd which rented 2 blocks, one commencing 1 April 2017 and another commencing 1 August 2017. Q2'18 rental income include total rental of the 2 blocks while Q2'17 had only rental from the 1st block.

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-Jun-18 S\$'000	As at 31-Dec-17 S\$'000 (Restated)	As at 30-Jun-18 S\$'000	As at 31-Dec-17 S\$'000 (Restated)
Non-current Assets					
Property, plant and equipment		30,861	27,805	32	1
Investment properties		27,136	26,978	-	-
Prepaid land lease payment		1,848	1,864	-	-
Intangible assets		397	120	5	12
Investment in subsidiary	A	-	-	70,613	47,061
Investment in joint venture	B	1,604	1,631	-	-
Loan to subsidiary		-	-	-	23,552
Deposit paid for purchases of property, plant and equipment		2,078	2,562	-	-
Other receivables	C	1,163	1,433	-	-
Deferred tax assets		873	861	-	-
		65,960	63,254	70,650	70,626
Current Assets					
Inventories		25,328	24,226	-	-
Trade and other receivables		63,407	70,131	4,656	4,270
Tax recoverables		37	-	-	-
Prepayments		829	545	26	55
Held for trading financial assets	D	12,286	14,796	12,286	14,796
Derivatives	E	23	112	23	112
Cash and short-term deposit	F	37,923	35,784	2,123	2,458
		139,833	145,594	19,114	21,691
		205,793	208,848	89,764	92,317
Total Assets					
Current Liabilities					
Finance lease	1(b)(ii)	23	23	-	-
Trade and other payables		59,501	66,136	480	660
Provisions	G	148	180	-	-
Derivatives	E	180	-	180	-
Tax payable		3,750	5,552	65	42
		63,602	71,891	725	702
Net Current Assets					
		76,231	73,703	18,389	20,989
Non-current Liabilities					
Provision	G	539	561	-	-
Finance lease	1(b)(ii)	16	27	-	-
Deferred tax liabilities		2,345	2,334	430	430
		2,900	2,922	430	430
Total Liabilities					
		66,502	74,813	1,155	1,132
Net Assets					
		139,291	134,035	88,609	91,185
Share capital					
Share capital		98,021	98,021	98,021	98,021
Treasury shares		(11,739)	(12,997)	(11,739)	(12,997)
Retained earnings		50,086	47,432	2,570	5,631
Other reserves		2,923	1,579	(243)	530
Total Equity					
		139,291	134,035	88,609	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 30-Jun-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 Jielunte Technology Co. Ltd (formerly known as 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 recognised its share of the loss of S\$36K from the JV in Q2’18.
- 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. The reduction was mainly due to cash withdrawn for payment of dividend in May 2018.
- 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 30-Jun-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	16	27
- Unsecured	-	-
	16	27
Total	39	50

Details of any collateral

Total borrowings as at 30 June 2018 amounted to S\$39,000 mainly due to finance lease (31 December 2017: S\$50,000).

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 30-Jun		6 Months Ended 30-Jun	
		2018 S\$'000	2017 S\$'000 (Restated)	2018 S\$'000	2017 S\$'000 (Restated)
Cash flows from operating activities :					
Profit before tax		4,657	790	5,512	4,643
Adjustment items	I	1,040	1,548	3,423	968
Cash flows from operations before reinvesting in working capital		5,697	2,338	8,935	5,611
Working capital changes , excluding changes relating to cash		(8,337)	(3,225)	(960)	(1,587)
Cash generated from operating activities		(2,640)	(887)	7,975	4,024
Net interest income received and tax paid		(1,377)	(379)	(1,353)	(433)
Net cash generated from operating activities		(4,017)	(1,266)	6,622	3,591
Cash flows from investing activities :					
Purchase of property, plant and equipment		(2,533)	(780)	(5,464)	(1,457)
Deposit refund for property, plant and equipment		437	107	484	392
Proceeds from sale of PPE		7	2	23	26
Additions to intangible assets		(320)	-	(338)	-
Proceeds from sale of investment securities		2,172	1,888	4,043	3,954
Acquisition of investment securities under portfolio management		(1,020)	(2,021)	(1,833)	(4,726)
Dividend from investment securities		77	57	105	106
(Deposit in)/ withdrawal from an investment portfolio account		(702)	(94)	(1,012)	507
Decrease/(increase) in restricted cash		12,365	-	(6,183)	-
Net cash used in investing activities		10,483	(841)	(10,175)	(1,198)
Cash flows from financing activities :					
Dividend paid on ordinary shares by the company		(2,262)	(1,119)	(2,262)	(1,119)
Proceeds from re-issuance of treasury shares		134	81	424	81
Decrease in short term financing		(5)	(7)	(11)	(11)
Net cash generated from/(used in) from financing activities		(2,133)	(1,045)	(1,849)	(1,049)
Net change in cash and cash equivalents		4,333	(3,152)	(5,402)	1,344
Effect of exchange rate changes on cash and cash equivalents		168	75	346	295
Cash and cash equivalents as at beginning of period		25,597	33,776	35,154	29,060
Cash and cash equivalents as at end of period	J	30,098	30,699	30,098	30,699

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

I Details of adjustment items as follows:

GROUP	Note	Quarter Ended 30-Jun		6 Months Ended 30-Jun	
		2018 S\$'000	2017 S\$'000 (Restated)	2018 S\$'000	2017 S\$'000 (Restated)
Depreciation of property, plant and equipment		1,283	1,279	2,418	2,640
Amortisation of intangible assets		29	22	48	44
Amortisation of prepaid land lease payments		14	19	27	41
Loss/(gain) on disposal of PPE and intangible assets		23	1	52	(23)
Loss on disposal of held for trading investments	1(a)(i)(g)	59	4	93	22
Share option expense		-	112	61	153
(Write-back)/allowance for doubtful debts		(16)	136	(40)	(127)
Net fair value (gain)/loss on held for trading investments	1(a)(i)(h)	(171)	104	193	260
Net fair value loss/(gain) for derivatives	1(a)(i)(j)	205	121	270	(164)
Interest income		(107)	(142)	(262)	(277)
Allowance/(write-back) of inventory obsolescence		2	(142)	(48)	(203)
Effect of exchange rate changes		(203)	161	736	(1,246)
Share of results of joint venture		36	(72)	36	(48)
(Reversal)/provision for severance benefits and restructuring expenses		(37)	2	(56)	2
Dividend income from investment securities		(77)	(57)	(105)	(106)
Total		<u>1,040</u>	<u>1,548</u>	<u>3,423</u>	<u>968</u>

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

GROUP	As at 30 June	
	2018 S\$'000	2017 S\$'000
Cash and bank balances	36,181	30,009
Cash and bank balance under portfolio investment management	1,642	523
Fixed deposits	100	690
Total cash and bank balance per balance sheet	37,923	31,222
Less : Cash and bank balance under portfolio investment management	(1,642)	(523)
Less: Restricted cash in short-term structured deposit	(6,183)	-
Net cash and bank balance	30,098	30,699
Less : Bank overdrafts	-	-
Cash and cash equivalents at end of period	30,098	30,699

* The decrease in cash and cash equivalents from 30 June 2017 to 30 June 2018 was mainly due to placement of temporary excess funds in short-term structured deposit to generate higher interest, purchase of PPE and payment of dividend offset by higher net 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
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	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
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
<u>Contribution 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 contribution by and distribution to owners	351	-	981	-	(50)	-	-	-	(580)	(630)
<u>Others</u>										
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
Profit for Q2'18	5,713	-	-	5,713	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
Foreign currency translation	(782)	-	-	-	-	(782)	-	-	-	(782)
Other comprehensive income	(782)	-	-	-	-	(782)	-	-	-	(782)
Total comprehensive Income	4,931	-	-	5,713	-	(782)	-	-	-	(782)
<u>Contribution by and distribution to owners</u>										
Treasury shares reissued pursuant to employee share option plan	134	-	277	-	(28)	-	-	-	(115)	(143)
Dividends on ordinary shares	(2,262)	-	-	(2,262)	-	-	-	-	-	-
Total contribution by and distribution to owners	(2,128)	-	277	(2,262)	(28)	-	-	-	(115)	(143)
<u>Others</u>										
Transfer to statutory reserve (Note (i))	-	-	-	(717)	-	-	717	-	-	717
Balance at 30 June 2018	139,291	98,021	(11,739)	50,086	521	(78)	1,992	1,252	(764)	2,923

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)

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
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	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
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)
<u>Contribution by and distribution to owners</u>										
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)
Profit for Q2'17 (as previously reported)	535	-	-	535	-	-	-	-	-	-
Adjustment from adoption of SFRS(1) 15	1	-	-	1	-	-	-	-	-	-
Profit for Q2'17 (restated)	536	-	-	536	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
Foreign currency translation	421	-	-	-	-	421	-	-	-	421
Other comprehensive income	421	-	-	-	-	421	-	-	-	421
Total comprehensive Income	957	-	-	536	-	421	-	-	-	421
<u>Contribution by and distribution to owners</u>										
Grant of equity-settled share options to employees	112	-	-	-	112	-	-	-	-	112
Treasury Shares reissued pursuant to employee share options plans	81	-	167	-	(17)	-	-	-	(69)	(86)
Dividends on ordinary shares	(1,119)	-	-	(1,119)	-	-	-	-	-	-
Total contribution by and distribution to owners	(926)	-	167	(1,119)	95	-	-	-	(69)	26
Balance at 30 June 2017 (Restated)	124,850	98,021	(12,997)	41,708	405	(2,218)	-	-	(69)	(1,882)

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)
Loss for Q2'18, representing total comprehensive income	(144)	-	-	(144)	-	-	-
<u>Contributions by and distribution to owners</u>							
Treasury shares reissued pursuant to employee share option plan	134	-	277	-	(28)	(115)	(143)
Dividends on ordinary shares	(2,262)	-	-	(2,262)	-	-	-
Total transactions with owners in their capacity as owners	(2,128)	-	277	(2,262)	(28)	(115)	(143)
Balance at 30 June 2018	88,609	98,021	(11,739)	2,570	521	(764)	(243)
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
Loss for Q2'17, representing total comprehensive income	(777)	-	-	(777)	-	-	-
<u>Contributions by and distribution to owners</u>							
Treasury shares reissued pursuant to employee share option plan	81	-	167	-	(17)	(69)	(86)
Grant of equity-settled share options to employees	112	-	-	-	112	-	112
Dividends on ordinary shares	(1,119)	-	-	(1,119)	-	-	-
Total transactions with owners in their capacity as owners	(926)	-	167	(1,119)	95	(69)	26
Balance at 30 June 2017	92,120	98,021	(12,997)	6,760	405	(69)	336

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 June 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 30/6/2018	As at 31/12/2017
Options granted under the InnoTek Employees' Share Option Plan I *	-	680,000
Options granted under the InnoTek Employees' Share Option Scheme II **	<u>5,000,000</u>	<u>6,500,000</u>
	<u>5,000,000</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. Another 480,000 treasury shares were issued for share option in Q2'18.

** 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 in Q1'18	(1,700)	(981)
Less: Re-issued pursuant to employee share option plans in Q2'18	<u>(480)</u>	<u>(277)</u>
Balance as at 30 June 2018	<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 30/6/2018		As at 30/6/2017	
	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	<u>(20,351)</u>	<u>(11,739)</u>	<u>(22,531)</u>	<u>(12,997)</u>
Net number of issued shares at the end of period	<u>226,305</u>	<u>86,282</u>	<u>224,125</u>	<u>85,024</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 and 480,000 treasury shares were re-issued for share option in Q1'18 and Q2'18 respectively.

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 30-Jun-17 S\$'000 (Restated)	6 Months ended 30-Jun-17 S\$'000 (Restated)
Increase/(decrease) in :		
Consolidated Income Statement		
- Revenue	36	61
- Cost of Sales	(35)	(71)

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		6 Months Ended	
	30-Jun		30-Jun	
Earning per ordinary share of the Group based on net earnings attributable to the owners of the Company :	2018	2017	2018	2017
(i) Based on the weighted average number of shares (in cents)				
Earning per share	<u>2.53</u>	<u>0.24</u>	<u>2.60</u>	<u>1.37</u>
Weighted average number of shares ('000)	<u>226,203</u>	<u>223,934</u>	<u>224,606</u>	<u>223,885</u>
(ii) On a fully diluted basis (in cents)				
Earning per share	<u>2.51</u>	<u>0.24</u>	<u>2.58</u>	<u>1.36</u>
Adjusted weighted average number of shares ('000)	<u>227,433</u>	<u>226,261</u>	<u>226,114</u>	<u>225,942</u>

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

	Group		Company	
	As at 30-Jun-18	As at 31-Dec-17 (Restated)	As at 30-Jun-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	61.6 cents	59.8 cents *	39.2 cents	40.7 cents

* Increased mainly due to profit for 6 months ended 30 June 2018, proceed from re-issuing of treasury shares, translation gain as a result of strengthening of S\$/HK\$ exchange rate as at 30 June 2018 (0.1739) compared to 31 December 2017 (0.1709) offset against dividend paid in May 2018.

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 June 2018 (Q2'18)

	Q2'18 S\$'000	Q2'17 S\$'000 (Restated)	Q2'18 vs Q2'17 S\$'000	Q2'18 vs Q2'17 %
Turnover				
MSF - In S\$	52,366	49,075	3,291	6.7
MSF - In HK\$'000	HKD 307,910	HKD 274,550	HKD 33,360	12.2
Net profit/(loss) attributable to owners of the parent				
MSF - before exchange rate impact	5,841	1,216	4,625	380.3
Exchange gain/(loss)	16	(385)	401	NM
MSF Group	5,857	831	5,026	604.8
InnoTek - before exchange rate impact	(264)	(260)	(4)	(1.5)
Exchange gain/(loss)	120	(35)	155	NM
InnoTek	(144)	(295)	151	51.2
InnoTek Group - before exchange rate impact	5,577	956	4,621	483.4
Exchange gain/(loss)	136	(420)	556	NM
Total Innotek Group	5,713	536	5,177	(965.9)
Basic EPS (cents)	2.53	0.24	2.29	954.2

NM denotes "Not meaningful"

Turnover (Q2'18 vs Q2'17)

The Group's revenue for the April-to-June 2018 quarter ("Q2'18") increased by S\$3.3 million or 6.7% to S\$52.4 million from S\$49.1 million in Q2'17. However in terms of HK\$, the Group's revenue increased by HK\$33.4 million or 12.2% to HK\$307.9 million from HK\$274.6 million due mainly to:

- (1) Higher revenue from the Precision Components segment, due mainly to increased sales of office automation and consumer products offset by lower sales of TV back panel. Although the transfer of Chinese production from major Japanese OA customers to Southeast Asian countries is still in progress, it is stabilizing, and our major customers are making adjustments to Chinese suppliers, so this quarter's OA sales also showed gradual stability and also received some new orders. In addition, our new Thailand factory which opened in June 2018 began shipment in Q1'18 to a major OA customer in Thailand with help from the Dongguan factory. Sales for TV back panels have declined compared to Q1'18 due to China domestic intense competition. Despite current programmes nearing end-of-life, sales for automotive products were stable due mainly to sales of children's car-seat to a new customer which mass production started this year. Mass production from some newly secured automotive programmes will only start next year.
- (2) Higher revenue from the Precision Machining segment on the back of increased sales for heatsinks and car display panels. The demand for TV bezels continues for large, HD TVs. A one-time order in Q2'18 for commercial display product also contributed to the increase in revenue from the Precision Machining segment.
- (3) Increased tooling sales in Q2'18 compared to Q2'17 due mainly to sales to 2 new customers and new mold orders from OA customers. Effort has also been put in to clear long-outstanding work-in-progress resulting in higher sales.

Net Profit (Q2'18 vs Q2'17)

The Group net profit was S\$5.7 million for Q2'18, an increase of S\$5.2 million compared to the S\$0.5 million profit in Q2'17 due mainly to:

- (1) Mansfield Group ("MSF") posted a profit of S\$5.8 million in Q2'18, S\$5.0 million higher than the profit of S\$0.8 million in Q2'17 due mainly to:
 - a) MSF's gross profit ("GP") margin increased to 20.2% in Q2'18 from 15.7% in Q2'17 due mainly to :
 - Higher sales and improved productivity from the Precision Machining segment
 - Promotion of manufacturing automation and employee incentives to improve productivity in the Precision Component segment.
- Offset by
- 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 and 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.

Review for the Quarter ended 30 June 2018 (Q2'18) (Cont'd)

- b) Reversal of 2017 tax provision amounting to S\$2.1 million (RMB9.9 million) following the award of a certificate from a combination of various mainland Chinese government agencies in Guangdong in May 2018 confirming high technology tax concession of 15% for 3 years starting 2017. Tax provision was made at 25% in 2017.
- c) Higher G&A expenses mainly salary and wages from newly set-ups, Mansfield Weihai and Mansfield Thailand. Higher overseas travelling and entertainment expense were mainly due to the opening of the Thailand factory in June 2018.
- (2) InnoTek's loss in Q2'18 was S\$0.1 million, S\$0.2 million lower than the loss of S\$0.3 million in Q2'17 due mainly to:
- Lower salary and wages due to one fewer staff member and no share option expense in Q2'18 as the share option granted to CEO had been fully vested by Q1'18 and
 - Lower office rental for the new premise in Q2'18

(B) Review for the 6 months ended 30 June 2018 (1H'18)

	1H'18 S\$'000	1H'17 S\$'000 (Restated)	1H'18 vs 1H'17 S\$'000	1H'18 vs 1H'17 %
Turnover				
MSF - In S\$	99,978	100,185	(207)	(0.2)
MSF - In HK\$'000	HKD 590,549	HKD 554,640	HKD 35,909	6.5
Average S\$/HK\$ exchange rate	5.91	5.54		
Net Profit/(loss) attributable to owners of the parent				
MSF - before exchange rate impact	7,132	4,284	2,848	66.5
Exchange loss	(503)	(699)	196	28.0
MSF Group	6,629	3,585	3,044	84.9
MSF Group - HK\$'000	HKD 38,943	HKD 19,796	HKD 19,147	96.7
InnoTek - before exchange rate impact	(848)	(320)	(528)	(165.0)
Exchange gain/(loss)	49	(194)	243	NM
InnoTek	(799)	(514)	(285)	(55.4)
InnoTek Group - before exchange rate impact	6,284	3,964	2,320	58.5
Exchange loss	(454)	(893)	439	49.2
Total Innotek Group	5,830	3,071	2,759	(89.8)
Basic EPS (cents)	2.60	1.37	1.23	89.8

NM denotes " Not meaningful"

Turnover (1H'18 vs 1H'17)

The Group's revenue for the January-to-June 2018 period ("1H'18") decreased by S\$0.2 million or 0.2% to S\$100.0 million from S\$100.2 million in 1H'17. However in terms of HK\$, the Group's revenue increased from HK\$554.6 million to HK\$590.5 million. This is due to the weakening of the HK\$/S\$ in 1H'18 at 5.91 compared to 5.54 in 1H'17.

In term of HK\$, increased revenue was mainly due to:

- (1) Higher revenue from the Precision Components segment, due mainly to increased sales of automotive products, office automation (OA) and consumer products offset by lower demand for TV back panels. OA sales is stabilizing as our major customers are making intensive adjustments to Chinese suppliers. The TV back panels sale has declined due to fierce competition in China. Sales for automotive products were higher due to commencement of mass production for some newly secured automotive programmes.
- (2) Higher revenue from the Precision Machining segment on the back of increased sales for heatsinks and car display panels. In Q1'18, the current generation of bezels saw higher demand from customers operating in India and Vietnam despite the industry annual upgrade to new model. The demand for TV bezels continues for large, high definition (HD) TVs. A one-time sale order in Q2'18 for commercial display product also contributed to the increase in revenue from the Precision Machining segment.
- (3) Increased tooling sales in 1H'18 compared to 1H'17 due mainly to sales to 2 new customers and new mold orders from OA customers. Efforts put into clearing long-outstanding work-in-progress also resulted in higher sales.

Review for the 6 months ended 30 June 2018 (1H'18) (Cont'd)

Net Profit (1H'18 vs 1H'17)

The Group recorded a profit of S\$5.8 million for 1H'18, an increase of S\$2.7 million from the profit of S\$3.1 million in 1H'17, due mainly to:

- (1) Mansfield Group ("MSF") profit was S\$6.6 million in 1H'18, S\$3.0 million higher than the profit of S\$3.6 million in 1H'17 due mainly to:
 - (a) MSF's gross profit ("GP") margin increased to 18.0% in 1H'18 from 17.4% in 1H'17 due mainly to:
 - Higher sales and improved productivity from the Precision Machining segment
 - Promotion of manufacturing automation and employee incentives to improve productivity in the Precision Component segment.

Offset by

- 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 and 2019
 - Higher labour costs incurred by certain entities due to increase in minimum wage and the employment of higher skilled workers to prepare for future mass production with newly installed robotic arms.
 - Competitive price resulting in lower margin for TV back panel which had higher sales volume in 1H'18 compared to 1H'17.
- (b) Reversal of 2017 tax provision amounting to S\$2.1 million (RMB9.9 million) following the award of a certificate from a combination of various mainland Chinese government agencies in Guangdong in May 2018 confirming high technology tax concession of 15% for 3 years starting 2017. Tax provision was made at 25% in 2017.
 - (c) Higher G&A expenses mainly salary and wages from newly set-ups, Mansfield Weihai and Mansfield Thailand. Overseas travelling and business development expenses also increased as the MSF Group increased efforts to secure more sales and new customers.
- (2) InnoTek's loss in 1H'18 was S\$0.8 million, S\$0.3 million greater than the loss of S\$0.5 million in 1H'17 due mainly to:
 - Net investment portfolio loss managed by an investment bank in 1H'18 compared to a gain in 1H'17 (refer to 1(a)(i) (c)) as equity and bonds prices were affected by trade war between China and US in 1H'18.
 - Lower salary and wages due to one fewer staff member and no share option expense in Q2'18 as the share option granted to CEO had been fully vested by Q1'18 and
 - Lower office rental for the new premise in Q2'18.

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 the recent Sino-U.S. trade war has affected the global economy, China reported economic growth of 6.7% in the second quarter of 2018, still above the government's official target of 6.5% for the year. The Group's operations have been affected by challenges such as unstable raw material prices, rising labour costs and tougher competition.

Despite the slowdown in economic growth, the Group has secured new automotive programmes, for which mass production will commence in 2H'18 or FY'19. For the past few years, the Group has been committed to developing its automotive business; in addition to basic interior components, it is producing functional and safety parts to enhance its suite of offerings. The Group expects stable growth in the automotive segment for the foreseeable future.

The Group's TV business saw a downturn this quarter as high-definition ("HD") TVs under 55 inches increasingly transition to plastic frames. However, there is still consistent demand for TV bezels for large HD TVs and heat sinks.

The demand for TV back panels will decline as China domestic competition intensify. The Group will continue to 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 have shifted production from China to Southeast Asia. At the same time, these customers have introduced tighter requirements for Chinese-based suppliers and now work almost exclusively with selected elite suppliers. The Group believes that its operations in Thailand will enable it to become an integral part of these customers' supply chain. Overall, the Group's OA sales remained steady during the quarter, and benefited from partial orders transferred 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 is developing its subsidiaries in Rayong, Thailand ("Mansfield Thailand") and Weihai, China ("Mansfield Weihai"). It expects to incur start-up expenses from both plants this year. Mansfield Thailand held its opening ceremony in June 2018, and will officially commence mass production in 2H'18. In the meantime, it has commenced trial production and begun shipment to the Group's major customer with support from the Group's Dongguan plant. Mansfield Weihai has secured factory certification and commenced shipment to a key customer, but expects mass production to start in 2H'18.

Going forward, the Group will continue to implement management measures and step up product development, as well as promote manufacturing automation (on a contract or individual component basis) and employee incentives to improve 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 6 months ended 30 June 2018

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 Grand Mould Plastic Co., Ltd	642,685	N/A
All Brilliant Ltd	65,890	NA
Anhui KM Technology	33,757	N/A
Toyoichi Tsusho Co., Ltd	1,903	N/A
Wuhan Grand Mould Plastic Co. Ltd	369,339	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 second quarter ended 30 June 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
14 August 2018