INNOTEK

InnoTek Limited
(Company Reg. No. 199508431Z)

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 Fourth Quarter ended 31 December 2015

Group	Note	Quarter Ended 31-Dec 2015 S$'000	Quarter Ended 31-Dec 2014 S$'000	Change %	12 months Ended 31-Dec 2015 S$'000	12 months Ended 31-Dec 2014 S$'000	Change %
Revenue		**61,258**	**58,559**	**4.6**	**233,137**	**225,580**	**3.4**
Cost of sales	1(a)(i)(a)	(54,858)	(53,436)	2.7	(217,896)	(205,380)	6.1
Gross Profit		**6,400**	**5,123**	**24.9**	**15,241**	**20,200**	**(24.5)**
Other items of expense							
Selling and distribution		(1,125)	(1,151)	(2.3)	(4,642)	(4,336)	7.1
Administrative expense	1(a)(i)(b)	(6,775)	(9,717)	(30.3)	(28,654)	(34,755)	(17.6)
Finance cost		(38)	(69)	(44.9)	(186)	(257)	(27.6)
Share of joint venture loss	1(b)(i)(A)	(31)	-	NM	(168)	-	NM
Other expenses	1(a)(i)(c)	(6,209)	(17,053)	(63.6)	(6,366)	(17,052)	(62.7)
Total other item of expenses		(14,178)	(27,990)	(49.3)	(40,016)	(56,400)	(29.0)
Other items of income							
Interest income		53	95	(44.2)	278	384	(27.6)
Other income	1(a)(i)(d)	3,372	3,343	0.9	9,237	7,169	28.8
Total other items of Income		3,425	3,438	(0.4)	9,515	7,553	26.0
Loss before taxation and non-controlling interest		**(4,353)**	**(19,429)**	**(77.6)**	**(15,260)**	**(28,647)**	**(46.7)**
Tax expense		(856)	1,686	NM	(1,033)	381	NM
Loss , net of tax		**(5,209)**	**(17,743)**	**(70.6)**	**(16,293)**	**(28,266)**	**(42.4)**
Other comprehensive income :							
Foreign currency translation		(2,576)	2,611	NM	1,679	1,931	(13.1)
Realisation of fair value gain on disposal of available-for-sale financial assets		-	(22)	NM	(167)	(1,360)	(87.7)
Net (loss) on fair value changes of available-for-sale financial assets		-	(517)	NM	(239)	(1,309)	(81.7)
Other comprehensive income , net of tax		**(2,576)**	**2,072**	**NM**	**1,273**	**(738)**	**NM**
Total comprehensive income for the period / year		**(7,785)**	**(15,671)**	**(50.3)**	**(15,020)**	**(29,004)**	**(48.2)**
Loss attributable to :							
Owners of the parent		(5,209)	(17,743)	(70.6)	(16,293)	(28,228)	(42.3)
Non-controlling interests		-	-	NM	-	(38)	NM
Loss, net of tax		**(5,209)**	**(17,743)**	**(70.6)**	**(16,293)**	**(28,266)**	**(42.4)**
Total comprehensive income attributable to :							
Owners of the parent		(7,785)	(15,671)	(50.3)	(15,020)	(28,948)	(48.1)
Non-controlling interests		-	-	NM	-	(56)	NM
Total comprehensive income for the period / year		**(7,785)**	**(15,671)**	**(50.3)**	**(15,020)**	**(29,004)**	**(48.2)**
Earning per share (cents)							
Basic	**Para 6**	**(2.33)**	**(7.93)**	**(70.6)**	**(7.28)**	**(12.61)**	**(42.3)**
Diluted	**Para 6**	**(2.33)**	**(7.93)**	**(70.6)**	**(7.28)**	**(12.61)**	**(42.3)**

NM denotes Not Meaningful

Notes to Group Consolidated Statement of Comprehensive Income

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

	Note	Quarter Ended 31-Dec 2015 S$'000	Quarter Ended 31-Dec 2014 S$'000	12 Months Ended 31-Dec 2015 S$'000	12 Months Ended 31-Dec 2014 S$'000
(a) Included in cost of sales are :					
- Inventories recognised as an expense in cost of sales		(26,785)	(27,621)	(102,103)	(107,050)
- Provision for inventory obsolescene	1(a)(i)(e)	(503)	(526)	(1,572)	(339)
- Depreciation of property, plant and equipment ("PPE")	1(a)(i)(f)	(1,679)	(2,303)	(6,805)	(9,137)
- Wages and salaries	1(a)(i)(g)	(14,257)	(14,236)	(55,098)	(48,074)
(b) Included in administrative expenses are :					
- Depreciation of property, plant and equipment ("PPE")		(283)	(719)	(2,120)	(2,757)
- Amortisation of prepaid land lease payments		(23)	(8)	(93)	(73)
- Amortisation of intangible assets		(120)	(124)	(458)	(486)
- Wages and salaries	1(a)(i)(h)	(3,067)	(4,380)	(12,581)	(16,283)
(c) Included in other expenses are :					
- Impairment loss of property, plant and equipment	1(a)(i)(i)	(4,956)	(16,729)	(4,956)	(16,729)
- Allowance for doubtful debts	1(a)(i)(j)	(1,253)	(415)	(1,410)	(306)
- Loss on derivative	1(a)(i)(k)	-	(21)	-	(5)
(d) Included in other income are :					
- Fair value gain on investment property	1(a)(i)(p)	1,651	863	1,651	863
- Property rental income		322	367	1,311	1,424
- Dividend income from investment securities	1(a)(i)(l)	30	182	373	1,126
- Gain on disposal of PPE and intangible assets		365	267	1,515	388
- Gain on derivative	1(a)(i)(k)	149	-	29	-
- (Loss)/Gain on disposal of held for trading investments	1(a)(i)(m)	(35)	(81)	125	248
- Net fair value gain on held for trading investments	1(a)(i)(n)	284	595	452	288
- Gain on disposal of other investments	1(a)(i)(l)	-	72	107	1,252
- Foreign currency gain	1(a)(i)(o)	165	612	2,162	306

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

(e) Q4'15 provision mainly relates to end-of-life ("EOL") inventories from Magix. It also provided risk-built inventories for a programme that has gone EOL in Q3'15. Suzhou and Wuhan also provided for inventories with longstanding quality issues and not accepted by customers in Jun'15 totaling S$0.7 million.

(f) Depreciation for Q4'15 was lower than Q4'14 due mainly to an impairment provision for PPE in the Suzhou plant in December 2014.

(g) Q4'15 wages and salaries were higher mainly due to the strengthening of the HK$ against S$ (average of 0.182 in Q4'15 compared to 0.167 in Q4'14). Q4'15 wages and salaries equivalent in HK$ were lower at HK$78.5 million compared to HK$85.1 million in Q4'14. The lower wages and salaries in HK$ equivalent was mainly due to lower social security and housing fund provision requirement in Q4'15.

(h) Lower Q4'15 wages and salaries due to lower headcount, control of overtime and lower social security provision requirements in Q4'15. However, this was offset by an increase of approximately S$0.2 million due to the strengthening of the HK$ against the S$.

(i) An impairment provision in Q4'15 amounting to S$1.2 million represented the write-down of underutilized PPE of a stamping component segment subsidiary and the subassembly segment subsidiary after impairment review. In addition, impairment loss of S$3.8 million (2014: S$16.7 million) representing the write-down of PPE to the recoverable amount was recognized in "Other expenses" for the financial year ended 31 December 2015. The recoverable amount was based on the higher of its fair value less costs of disposal and its value in use of the cash-generating unit using a 5-year projected cash flow forecast discounted using a weighted average cost of capital rate of 14.5% (2014 : 14.0%). In Q4'14, the impairment review was carried out to a subsidiary of the Group's stamping component segment because of the subsidiary's loss situation.

(j) Q4'15 provisions were made for certain long-outstanding tooling receivables which customers did not settle due to quality issues and a provision was made to a project of the discontinued computer-industry related customer which was unable to continue due to the closure of one of its suppliers. Management will continue to review and pursue to claim back as much as possible from customers.

(k) This relates to an unrealized fair value gain/(loss) on forward contracts under investment portfolio managed by an investment bank .

(l) Reduction in FY15 dividend income followed the complete disposal of shares in Sabana Reit in Q2'15. Q4'15 dividend income relates to dividend from equities under the Group's Portfolio Management only. The total gain from disposal of Sabana Reit is reflected in gain on disposal of other investments amounting to S$107K.

(m) This relates to loss or gain on disposal of investment securities under investment portfolio managed by an investment bank.

(n) This relates to fair value gain/(loss) from investment securities under investment portfolio managed by an investment bank.

(o) The higher foreign currency gain was mainly due to the strengthening of the HK$/S$ in the second half of 2015 from the S$ loans extended to Mansfield Manufacturing. The average HK$/S$ exchange rate for the first half of 2015 was 0.174 compared to 0.181 in the second half of 2015.

(p) This relates to the investment property which was rented out by MGX.

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-Dec-15 S$'000	As at 31-Dec-14 S$'000	As at 31-Dec-15 S$'000	As at 31-Dec-14 S$'000
Non-current Assets					
Property, plant and equipment ("PPE")		42,259	52,399	20	-
Investment property		18,243	16,260	-	-
Prepaid land lease payment		3,631	3,645	-	-
Intangible assets		370	880	25	-
Investment in subsidiary		-	-	47,061	47,061
Investment in joint venture	A	1,092	-	-	-
Other investments	B	-	5,873	-	5,873
Deposit paid for purchases of property, plant and equipment		154	1,057	-	-
Other receivables	C	1,684	1,677	-	-
Deferred tax assets		3,559	3,306	-	-
		70,992	85,097	47,106	52,934
Current Assets					
Inventories		21,564	24,497	-	-
Trade and other receivables		68,213	66,363	2,390	1,857
Tax recoverables		43	40	-	-
Prepayments		790	702	56	43
Loan to subsidiary		-	-	24,141	19,390
Held for trading investments	D	15,106	19,412	15,106	19,412
Derivatives	E	19	40	19	40
Cash and short-term deposit	F	25,180	24,336	6,242	2,023
		130,915	135,390	47,954	42,765
Total Assets		201,907	220,487	95,060	95,699
Current Liabilities					
Invoice financing		5,288	5,444	-	-
Trust receipts	G	-	3,938	-	-
Bank overdrafts	G	-	713	-	-
Loans and borrowings	1(b)(ii)	5,288	10,095	-	-
Trade and other payables		75,058	74,661	753	554
Provisions	H	318	229	-	-
Derivatives	E	26	76	26	76
Tax payable		2,042	1,890	10	51
		82,732	86,951	789	681
Net Current Assets		48,183	48,439	47,165	42,084
Non-current Liabilities					
Provision	H	690	609	-	-
Deferred tax liabilities		2,259	1,710	241	137
		2,949	2,319	241	137
Total Liabilities		85,681	89,270	1,030	818
Net Assets		116,226	131,217	94,030	94,881
Share capital		98,021	98,021	98,021	98,021
Treasury shares		(13,164)	(13,164)	(13,164)	(13,164)
Share option reserve		75	83	75	83
Fair value adjustment reserves	B	-	406	-	406
Retained earnings		28,655	44,911	9,098	9,535
Translation reserves		2,639	960	-	-
Total Equity		116,226	131,217	94,030	94,881

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 December 2015, the Group has injected capital of RMB7.35 million into the Joint Venture. The Group recognized its share of the losses incurred from the JV.

B The Board of Directors decided to diversify into various investment instruments instead of solely investing in Industrial Reits. The company started to dispose gradually of its Reit investments since June 2014. The remaining balance of 6,248,000 shares as at 31 December 2014 were disposed of in the first half of 2015 at an average price of S$0.892. The fair value adjustment reserve was fully cleared upon disposal of the Reit investments.

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 decrease was mainly due to the liquidation of a portfolio in Q2'15 to support the full settlement of the banking facilities detailed in 1(b)(ii)

E These derivatives are the unrealized fair value gains or losses from forward contracts under the portfolio investment.

F The increase in cash and bank balances came mainly from net proceeds from the sale of Sabana Reits, liquidation of an investment portfolio and proceeds from the sale of PPE. These were offset by capital injection of RMB7.35 million into Anhui KM Technology, acquisition of investments securities under the portfolio management, purchase of PPE and increase in working capital as a result of assembly plant production ramp-up and losses incurred in the 12 months ended 31 December 2015.

G The decrease was due to settlement of borrowings as agreed with the bank as detailed in 1(b)(ii) .

H This includes provision for a long-service payment and a warranty provision relating to the Option Agreement with Alliance Manufacturing Sdn.Bhd under the disposal of Exerion Precision Technology Holding B.V.

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

	As at 31-Dec-15 S$'000	As at 31-Dec-14 S$'000
Amount repayable in one year or less, on demand		
- Secured	5,288	10,095
- Unsecured	-	-
	5,288	10,095
Amount repayable after one year		
- Secured	-	-
- Unsecured	-	-
	-	-
Total	**5,288**	**10,095**

Details of any collateral

Total borrowings as at 31 December 2015 amounted to S$5.3 million mainly due to invoice factoring (2014: S$5.4 million) from a PRC bank which is secured by trade receivables.

In the bank facilities letter dated 2 May 2014, the Mansfield Group is to comply with a set of covenants required by the bank. As at 31 March 2015, the Group has breached a covenant of the bank facilities. The Company did not fulfil the requirement to maintain a "Consolidated Tangible Net Worth" of HK$598.0 million at all time. In August 2015, the Company made full settlement of the trust receipts with the bank. The bank facilities had been cancelled following this full settlement.

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-Dec 2015 S$'000	Quarter Ended 31-Dec 2014 S$'000	12 Months Ended 31-Dec 2015 S$'000	12 Months Ended 31-Dec 2014 S$'000
Cash flows from operating activities :					
Loss before tax		(4,353)	(19,429)	(15,260)	(28,647)
Adjustment items	I	3,856	23,277	14,725	27,809
Cash flows from/(used in) operations before reinvesting in working capital		(497)	3,848	(535)	(838)
Working capital changes , excluding changes relating to cash		436	(4,720)	(5,620)	(3,542)
Cash used in operating activities		(61)	(872)	(6,155)	(4,380)
Net interest and income tax paid		(12)	(125)	(343)	(400)
Net cash used in operating activities		(73)	(997)	(6,498)	(4,780)
Cash flows from investing activities :					
Purchase of property, plant and equipment ("PPE")		(512)	(772)	(3,321)	(3,134)
Deposit refund/(paid) for property, plant and equipment		(41)	(619)	902	(506)
Proceeds from sale of PPE		284	137	3,750	599
Additions to intangible assets		(33)	(1)	(52)	(37)
Proceed from sales of Sabana Reit	1(b)(i)(B)	-	730	5,574	8,910
Proceed from sale of intangible assets		-	-	141	-
Proceeds from sale of investment securities	1(b)(i)(D)	757	1,085	15,283	8,860
Receipt from loan to associate		-	958	-	958
Acquistion of Investment securities under portfolio management	1(b)(i)(D)	(672)	(8,395)	(10,405)	(16,640)
Acquisition of non-controlling interest	1(d)(i)(a)	-	-	-	(483)
Dividend from investment securities		31	182	373	1,126
Proceed from sales of Exerion (subsidary company)		-	-	-	2,162
Payment received from disposal of MICL (subsidary company)		-	-	-	1,604
Investment in joint venture		(601)	-	(1,589)	-
Deposit in an investment portfolio account		(23)	7,014	(227)	777
Decrease/(increase) in pledged time deposits		16	(161)	976	166
(Increase)/Decrease in restricted cash		-	(40)	915	(44)
Effect of exchange rate changes	J	2,455	(1,867)	(2,774)	(1,265)
Net cash generated from / (used in) investing activities		1,661	(1,749)	9,546	3,053
Cash flows from financing activities :					
Decrease in short term financing		(1,475)	(414)	(120)	3,050
Bank loan repayment		-	-	-	(1,631)
Dividend paid to ordinary shareholder		-	-	-	(2,239)
Effect of exchange rate changes		(109)	129	(36)	129
Net cash used in financing activities		(1,584)	(285)	(156)	(691)
Net change in cash and cash equivalents		4	(3,031)	2,892	(2,418)
Effect of exchange rate changes on cash and cash equivalents		(71)	150	329	170
Cash and cash equivalents as at beginning of period / year		22,850	22,443	19,562	21,810
Cash and cash equivalents as at end of period / year	K	22,783	19,562	22,783	19,562

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS (UNAUDITED)

I Details of adjustment items as follows:

GROUP	Note	Quarter Ended 31-Dec 2015 S$'000	Quarter Ended 31-Dec 2014 S$'000	12 Months Ended 31-Dec 2015 S$'000	12 Months Ended 31-Dec 2014 S$'000
Depreciation of property, plant and equipment (PPE)		1,962	3,022	8,925	11,894
Amortisation of intangible assets		120	124	458	486
Amortisation of prepaid land lease payments		23	8	93	73
Gain on disposal of PPE and intangible assets		(365)	(267)	(1,515)	(388)
(Loss)/Gain on disposal of held for trading investment	1(a)(i)(m)	35	81	(125)	(248)
Gain on disposal of Exerion		-	14	-	(107)
Loss on disposal of MICL		-	-	-	14
Gain on disposal of other investment	1(a)(i)(l)	-	(72)	(107)	(1,252)
Fixed assets written off		-	(37)	-	-
Share option expense		(12)	28	29	43
Share of joint venture loss		31	-	168	-
Allowance for doubtful debts	1(a)(i)(j)	1,253	415	1,410	306
Net fair value gain on held for trading investments	1(a)(i)(n)	(284)	(595)	(452)	(288)
Net fair value (gain)/ loss for derivatives		(149)	21	(29)	5
Interest expense		38	69	186	257
Interest income		(53)	(95)	(278)	(384)
Provision for obsolete inventories		503	526	1,572	339
Effect of exchange rate changes		(2,621)	2,907	1,273	1,523
Fair value gain on investment property		(1,651)	(863)	(1,651)	(863)
Provision for severence benefits and restructuring expenses		100	1,444	185	796
Dividend income from investment securities		(30)	(182)	(373)	(1,126)
Impairment loss on property, plant and equipment		4,956	16,729	4,956	16,729
Total		3,856	23,277	14,725	27,809

J This mainly came from fixed assets translation gain resulting from the change in HK$/S$ exchange rate in December 2014 and December 2015.

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

GROUP	As at 31 December 2015 S$'000	As at 31 December 2014 S$'000	
Cash and bank balances	19,084	20,275	
Cash and bank balance under portfolio investment management	1,089	861	
Fixed deposits	5,007	3,200	
Total cash and bank balance per balance sheet	25,180	24,336	
Less : Cash and bank balance under portfolio investment management	(1,089)	(861)	
Less: Pledged fixed deposit and restricted cash	(1,308)	(3,200)	
Net cash and bank balance	22,783	20,275	
Less : Bank overdrafts	-	(713)	
Cash and cash equivalents at end of year	**22,783**	**19,562**	*

* The increase in cash and cash equivalents from 31 December 2014 to 31 December 2015 was mainly due to proceeds from sale of PPE, sale of Sabana Reits since June 2014, liquidation of an investment portfolio offset by net purchase of investment securities under portfolio management and acquisition of PPE, capital injection into Anhui KM Technology (RMB7.35 million) in 2015 , increase in working capital due to ramping up for mass production of the Assembly plant from Q4'14 and losses sustained by the Mansfield Group.

1(d)(i) **A statement (for the issuer and the Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders , together with a comparative statement for the corresponding period of the immediately preceding financial year**

Statement of changes in equity

	Attributable to owners of the parent									
GROUP	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$'000	Equity attributable to owners of the parent, total S$'000	Non-controlling Interest S$'000	Total Equity S$'000
2015										
Balance at 1 January 2015	**98,021**	**(13,164)**	**44,911**	**83**	**960**	**406**	**1,449**	**131,217**	**-**	**131,217**
Loss for 2015	-	-	(16,293)	-	-	-	-	(16,293)	-	(16,293)
Other Comprehensive Income										
Foreign currency translation	-	-	-	-	1,679	-	1,679	1,679	-	1,679
Realisation of fair value gain on disposal of available-for-sale financial assets	-	-	-	-	-	(167)	(167)	(167)	-	(167)
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	-	(239)	(239)	(239)	-	(239)
Other comprehensive income	-	-	-	-	1,679	(406)	1,273	1,273	-	1,273
Total comprehensive Income	-	-	(16,293)	-	1,679	(406)	1,273	(15,020)	-	(15,020)
Contribution by and distribution to owners										
Share option expense	-	-	-	29	-	-	29	29	-	29
Expiry of employee share options	-	-	37	(37)	-	-	(37)	-	-	-
Total contribution by and distribution to owners	-	-	37	(8)	-	-	(8)	29	-	29
Balance at 31 December 2015	**98,021**	**(13,164)**	**28,655**	**75**	**2,639**	**-**	**2,714**	**116,226**	**-**	**116,226**

Statement of changes in equity (Cont'd)

GROUP	Attributable to owners of the parent							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	Employee Share Option Reserve S$'000	Foreign Currency Translation Reserve S$'000	Fair value adjustment reserve S$'000	Total other Reserve S$'000			
2014										
Balance at 1 January 2014	**98,021**	**(13,164)**	**75,281**	**204**	**(984)**	**3,075**	**2,295**	**162,433**	**467**	**162,900**
Loss for 2014	-	-	(28,228)	-	-	-	-	(28,228)	(38)	(28,266)
Other Comprehensive Income										
Foreign currency translation	-	-	-	-	1,949	-	1,949	1,949	(18)	1,931
Realisation of fair value gain on disposal of available-for-sale financial assets	-	-	-	-	-	(1,360)	(1,360)	(1,360)	-	(1,360)
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	-	(1,309)	(1,309)	(1,309)	-	(1,309)
Other comprehensive income	-	-	-	-	1,949	(2,669)	(720)	(720)	(18)	(738)
Total comprehensive Income	-	-	(28,228)	-	1,949	(2,669)	(720)	(28,948)	(56)	(29,004)
Contribution by and distribution to owners										
Employee Share Option expense	-	-	-	43	-	-	43	43	-	43
Expiry of employee share options	-	-	164	(164)	-	-	(164)	-	-	-
Dividends on ordinary shares	-	-	(2,239)	-	-	-	-	(2,239)	-	(2,239)
Total contribution by and distribution to owners	-	-	(2,075)	(121)	-	-	(121)	(2,196)	-	(2,196)
Changes in ownership interests in subsidiaries										
Acquisition of a subsidiary share from minority shareholder without a change in control **(Note 1(d)(i)(a))**	-	-	(67)	-	(5)	-	(5)	(72)	(411)	(483)
Total changes in ownership interest in subsidiaries	-	-	(67)	-	(5)	-	(5)	(72)	(411)	(483)
Balance at 31 December 2014	**98,021**	**(13,164)**	**44,911**	**83**	**960**	**406**	**1,449**	**131,217**	**-**	**131,217**

Note 1(d)(i)(a) In Q3'14, the minority shareholder of Magix Mechantronics Co. Limited (HK) disposed off its 3 million shares at par value for HK$3 million (S$0.5 million) to Mansfield Manufacturing, increasing its shareholding in Magix Mechatronics Co. Limited (HK) from 98.24% to 100%, making Magix a wholly-owned subsidiary of Mansfield Manufacturing.

Statement of changes in equity (Cont'd)

COMPANY	Attributable to owners of the parent						Total equity
	Issued Capital	Treasury Shares	Retained earnings	Share Option Reserve	Fair Value Adjustment Reserve	Total Other reserves	
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2015							
Balance at 1 January 2015	**98,021**	**(13,164)**	**9,535**	**83**	**406**	**489**	**94,881**
Loss for 2015	-	-	(474)	-	-	-	(474)
Other Comprehensive Income							
Realisation of fair value gain on disposal of available-for-sale financial assets	-	-	-	-	(167)	(167)	(167)
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(239)	(239)	(239)
Total comprehensive income	-	-	(474)	-	(406)	(406)	(880)
Contributions by and distribution to owners							
Share Option expense	-	-	-	29	-	29	29
Expiry of Employee Share Option	-	-	37	(37)	-	(37)	-
Total transactions with owners in their capacity as owners	-	-	37	(8)	-	(8)	29
Balance at 31 December 2015	**98,021**	**(13,164)**	**9,098**	**75**	-	**75**	**94,030**

Statement of changes in equity (Cont'd)

COMPANY	Attributable to owners of the parent						Total equity S$'000
	Issued Capital S$'000	Treasury Shares S$'000	Retained earnings S$'000	Employee Share Option Reserve S$'000	Fair Value Adjustment Reserve S$'000	Total Other reserves S$'000	
2014							
Balance at 1 January 2014	**98,021**	**(13,164)**	**10,652**	**204**	**3,075**	**3,279**	**98,788**
Profit for 2014	-	-	958	-	-	-	958
Other Comprehensive Income							
Realisation of fair value gain on disposal of available-for-sale financial assets	-	-	-	-	(1,360)	(1,360)	(1,360)
Net loss on fair value changes of available-for-sale financial assets	-	-	-	-	(1,309)	(1,309)	(1,309)
Total comprehensive income	-	-	958	-	(2,669)	(2,669)	(1,711)
Contributions by and distribution to owners							
Share option expense	-	-	-	43	-	43	43
Expiry of Employee Share Option	-	-	164	(164)	-	(164)	-
Dividends on ordinary shares	-	-	(2,239)	-	-	-	(2,239)
Total transactions with owners in their capacity as owners	-	-	(2,075)	(121)	-	(121)	(2,196)
Balance at 31 December 2014	**98,021**	**(13,164)**	**9,535**	**83**	**406**	**489**	**94,881**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back , exercise of share options or warrants , conversion of other issues of equity securities , issue of share for cash or as consideration for acquisition or for any purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles , as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

(a) Share Capital

Number of ordinary shares as at 31 December 2015 and 31 December 2014 is 246,656,428.

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

	As at 31/12/2015	As at 31/12/2014
Options granted under the InnoTek Employees' Share Option Scheme II **	1,510,000	3,590,000
	1,510,000	3,590,000

** 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. 6,220,000 options had been forfeited since May 2013 due to staff resignation. 1,000,000 share options were granted to a senior management staff at an option price of S$0.27 on 1 December 2014 but was forfeited due to this senior staff resignation on 2 December 2015.

(b) Treasury Shares

	No of shares '000	S$'000
Balance as at 1 January and 31 December 2015	22,821	13,164

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 31/12/2015		As at 31/12/2014	
	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	223,835	84,857	223,835	84,857

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 loss attributable to the shareholders of the Company :	Quarter Ended 31 December		12 Months Ended 31 December	
	2015	2014	2015	2014
(i) Based on the weighted average number of shares (in cents)				
Earning per share	(2.33)	(7.93)	(7.28)	(12.61)
Weighted average number of shares ('000)	223,835	223,835	223,835	223,835
(ii) On a fully diluted basis (in cents)				
Earning per share	(2.33)	(7.93)	(7.28)	(12.61)
Adjusted weighted average number of shares ('000)	223,835	223,835	223,835	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-Dec-15	As at 31-Dec-14	As at 31-Dec-15	As at 31-Dec-14
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	51.9 cents	58.6 cents	42.0 cents	42.4 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

Review for the Quarter ended 31 December 2015 (Q4'15)

	Q3'15 S$'000	Q4'15 S$'000	Q4'14 S$'000	Q4'15 vs Q4'14 S$'000	Q4'15 vs Q4'14 %
Turnover					
MSF	58,591	61,258	58,559	2,699	4.6
Net (Loss)/Profit attributable to owners of the parent					
MSF Group	(2,705)	(198)	(1,403)	1,205	(85.9)
Corporate	(794)	(55)	389	(444)	NM
Subtotal	**(3,499)**	**(253)**	**(1,014)**	**761**	**(75.0)**
Non-cash impairment	-	(4,956)	(16,729)	11,773	(70.4)
Total	**(3,499)**	**(5,209)**	**(17,743)**	12,534	70.6
Basic EPS (cents)	(1.56)	(2.33)	(7.93)	5.60	70.6

Turnover

The Group's revenue for the October-to-December 2015 quarter ("Q4'15") increased S$2.7 million or 4.6% to S$61.2 million from S$58.6 million in Q4'14, due mainly to the strengthening of the HK$ against the S$ (average exchange rate was 0.182 in Q4'15 compared to 0.167 in Q4'14). Had the HK$/S$ exchange rate in Q4'14 been applied, Q4'15 revenue would have declined S$6.6 million.

The lower revenue in terms of HK$ was mainly due to:

(a) Revenue decline from the Precision Components segment, due to lower demand for office automation and consumer products. Certain major Japanese customers have also allocated more new production programmes to plants outside of China. In addition, revenue from automotive products decreased towards the end of 2014 as some programmes went into end-of-life.

This was offset by:

(b) YOY Revenue increase from the Assembly segment as new TV Bezel programmes secured from a major Taiwanese customer went into mass production at the end of 2014.

Net Loss

Net loss (excluding non-cash impairment) reduced to S$0.3 million in Q4'15 from S$1.0 million in Q4'14 due mainly to:

(1) Lower losses incurred from Mansfield ("MSF") Group due mainly to:
   a) Increase in MSF's gross profit ("GP") margin to 10.4% in Q4'15 from 8.7% in Q4'14 due to higher revenue and lower material ratio;
   b) Lower Q4'15 depreciation of PPE due to impairment loss charged to a subsidiary in Q4'14;
   c) Lower G&A wages and salaries (Note 1(a)(i)(h))

   This was offset by:
   d) Higher doubtful debt provision of S$0.8 million (Note 1(a) (i) (j))
   e) Higher rework and production scrap costs from the Group's Magix plant mainly due to an old product transferred from a customer. Management had decided to discontinue this customer in 2016 following the completion of this TV Bezel programme that was transferred from the customer's supplier.

(2) Lower net fair value gain for equities and unrealised gain on derivatives of S$0.5 million from a managed investment portfolio, due to the volatility of global equity markets during the period. There was also decrease in dividend income of S$0.2 million mainly due to the total disposal of Sabana Reits in Q2'15.

Review for 12 months ended 31 December 2015 (FY'15)

	2015 S$'000	2014 S$'000	2015 vs 2014 S$'000	2015 vs 2014 %
Turnover				
MSF	233,137	225,580	7,557	3.4
Net (Loss)/Profit attributable to owners of the parent				
MSF Group	(10,866)	(12,455)	1,589	12.8
Corporate	(471)	956	(1,427)	NM
Subtotal	**(11,337)**	**(11,499)**	**162**	**(1.4)**
Non-cash impairment	(4,956)	(16,729)	11,773	(70.4)
Total	**(16,293)**	**(28,228)**	11,935	42.3
Basic EPS (cents)	(7.28)	(12.61)	5.33	(42.3)

Turnover

The Group's revenue for the 12 months ended December 2015 ("FY'15") increased S$7.6 million or 3.4% to S$233.1 million from S$225.6 million in FY'14, largely due to the strengthening of the HK$ against the S$ (average HK$/S$ exchange rate was 0.185 in FY'15 compared to 0.163 in FY'14). Had the HK$/S$ exchange rate in FY'14 been applied in FY'15, revenue in FY'15 would have declined S$11.3 million.

The decline in revenue in terms of HK$ was mainly due to:

(1) Revenue decline from the Precision Components segment as a result of lower demand for office automation and consumer products. Certain major Japanese customers have also allocated more new production programmes to their plants outside China. In addition, revenue from automotive products decreased towards the end of 2014 as some programmes went into end-of-life.

This was offset by:

(2) Revenue increase from the Assembly segment as new TV Bezel programmes from a major Taiwanese customer went into mass production towards the end of 2014.

Net Loss

Net loss (excluding non-cash impairment) decreased by S$0.2 million to S$11.3 million in FY'15 from FY'14 due mainly to:

(1) Corporate loss of S$0.4 million compared to a gain of S$1.0 million in FY14 due mainly to:
   (a) Lower net gain on disposal of Sabana Reit in FY15 compared to FY14. Dividend income was also lower following the completed disposal of Sabana Reit shares in Q2'15.

   This was offset by:
   (b) Higher net fair value gain on equities of S$0.2 million from a managed investment portfolio

(2) Losses from Mansfield (MSF) Group reduced by S$1.6 million to S$10.9 million in FY15 from FY14 due mainly to:
   (a) Higher exchange gains of S$2.2 million mainly from:
      (i) The weakening of the S$ against the HK$ in Q3'15 in relation to a loan (denominated in S$) to MSF; and
      (ii) The weakening of the RMB against the HK$ in Q4'15 in relation to the receivables (denominated in HK$) by Suns Mansfield from Mansfield HK
   (b) Lower depreciation from the Group's Suzhou plant due to impairment loss recognised in December 2014
   (c) Higher fair value gain of S$0.8 million from the valuation of an investment property; and
   (d) Lower G&A wages and salaries

   Offset by

   (e) Decline in MSF's gross profit ("GP") margin to 6.5% in FY'15 from 9.0% in FY'14 due to lower revenue (excluding exchange rate impact);
   (f) Higher provision of S$1.2 million made for obsolete inventories due to EOL products;
   (g) Higher doubtful debt of S$1.1 million made for certain long-outstanding receivables; and
   (h) Higher rework and production scrap costs from the Group's Magix plant mainly due to an old product transferred from a customer. Management had decided to discontinue this customer in 2016 following the completion of this TV Bezel programme that was transferred from the customer's supplier.

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 remains challenging amidst rising competition and labour costs, which have prompted Japan's top office automation brands to relocate to lower-cost countries such as Vietnam. The Group has been stepping up efforts to retain its customers in China. Its office automation margins, which are tied to steel prices, remain soft as commodity prices continue to slide.

In the automotive business, despite the headwinds, the Group remains optimistic about the automotive sector's potential. A 2016 KPMG study named emerging markets in Asia as a major focus for global automotive companies. China was singled out in the study as a promising market. The Group will continue it's marketing efforts to secure new automotive programmes in 2016.

The global flat-screen TV panels market continues to grow, with rising consumer affluence underpinning demand for bigger screens and high-definition TVs. This in turn is driving demand for metal TV bezels, which are sturdier than plastic bezels. The Group also sees an opportunity to penetrate the display market in China.

The Group announced on 2 November 2015 the appointment of Mr Lou Yiliang as Executive Director and CEO of Mansfield Group. Mr Lou has deep experience in the consumer electronics and home appliances businesses in Asia. The Group also announced on 18 December 2015 the appointment of a Chief Operating Officer and Sales Director. The new management team has in mind various initiatives to stabilise and streamline the Group's operations in 2016. These include:

(i) Driving internal efficiencies through better human resource management, including more training for staff to boost productivity and controlling overtime work to reduce employee costs;
(ii) Improving asset utilization by replacing old equipment;
(iii) Reducing scrap costs by improving the quality of products and enhancing customer satisfaction through on-time delivery.

The Group intends to boost marketing efforts to drive sales. Barring unforeseen circumstances, it expects to reduce its losses in the next few quarters.

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmental revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements , with comparative information for the immediately preceding year.

Segment Results

By Business Segment (Group Figure $'000

	Mansfield								Corporate and Others		Elimination		Per consolidated financial statements	
	Precision Components and Tooling		Precision Sub-assembly		Adjustments and eliminations		Total							
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Business Segments														
Revenue														
External customers	194,723	209,930	38,414	15,650			233,137	225,580	-	-	-	-	233,137	225,580
Inter-segment	68,028	69,691	44	52	(68,072)	(69,743)	-	-	-	-	-	-	-	-
Total revenue	262,751	279,621	38,458	15,702	(68,072)	(69,743)	233,137	225,580	-	-	-	-	233,137	225,580
Results :														
Management fee		-		-		-	-	-	89	212	(89)	(212)	-	-
Intersegment interest income	639	322	-	-	(639)	(322)	-	-	518	354	(518)	(354)	-	-
External interest income	102	165	4	2	-	-	106	167	172	217	-	-	278	384
Dividend income	-	-	-	-	-	-	-	-	373	1,126	-	-	373	1,126
Gain on disposal of PPE and tangible assets	1,421	215	93	173	-	-	1,514	388	1	-	-	-	1,515	388
Foreign currency (loss)/gain	2,672	412	(510)	(185)	-	-	2,162	227	-	79	-	-	2,162	306
Fair value change in trading securities	-	-	-	-	-	-	-	-	452	288	-	-	452	288
Gain on disposal of other investment	-	-	-	-	-	-	-	-	107	1,252	-	-	107	1,252
Fair value gains on investment property	-	-	1,651	863	-	-	1,651	863		-	-	-	1,651	863
Gain on disposal for held for trading investment	-	-	-	-	-	-	-	-	125	248	-	-	125	248
Gain on derivatives	-	-	-	-	-	-	-	-	29		-	-	29	-
Other income	968	1,180	1,850	1,517	-	-	2,818	2,697	4	1	-	-	2,822	2,698
Total other income	5,802	2,294	3,088	2,370	(639)	(322)	8,251	4,342	1,870	3,777	(607)	(566)	9,515	7,553
Finance cost	(694)	(582)	(639)	(352)	630	322	(703)	(612)	-	-	518	354	(186)	(257)
Depreciation and amortisation	(7,700)	(9,484)	(1,766)	(2,957)		-	(9,466)	(12,441)	(10)	(12)		-	(9,476)	(12,453)
Impairment loss on PPE	(1,997)	(16,729)	(2,959)	-		-	(4,956)	(16,729)	-	-		-	(4,956)	(16,729)
Segmental (Loss) / Profit	(11,300)	(26,583)	(3,642)	(3,170)		-	(14,942)	(29,753)	(318)	1,106		-	(15,260)	(28,647)
Segment assets	114,485	132,792	64,823	60,205		-	179,308	192,997	21,507	27,490		-	200,815	220,487
Investment in joint venture	1,092	-	-	-	-	-	1,092	-		-		-	1,092	-
Total assets	115,577	132,792	64,823	60,205	-	-	180,400	192,997	21,507	27,490	-	-	201,907	220,487
Segment liabilities	39,783	51,804	44,868	36,648	-	-	84,651	88,452	1,030	818	-	-	85,681	89,270

By Geographical Location (Group Figures $'000)

	Hong Kong / PRC		Singapore		Elimination		Consolidated	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Revenue :								
Sales to external customers	233,137	225,581					233,137	225,581
Intersegment sales	68,072	69,742			(68,072)	(69,742)	-	-
Total Revenue	301,209	295,323	-	-	(68,072)	(69,742)	233,137	225,581
Results :								
Management fee			89	212	(89)	(212)	-	-
Intercompany interest income		-	518	354	(518)	(354)	-	-
External interest income	106	167	172	217			278	384
Dividend income			373	1,126			373	1,126
Gain on disposal of PPE and intangible assets	1,514	388	1				1,515	388
Foreign Currency gain	2,163	227	(1)	79			2,162	306
Gain on disposal of assets of disposed group classified as held for sale	-	107	-	-	-		-	107
Fair value change in other investments	-	-	452	288			452	288
Gain on disposal of other investment	-	-	107	1,252			107	1,252
Fair value gain on investment property	1,651	863		-			1,651	863
Gain on disposal for held for trading investment			125	248			125	248
Gain on derivatives	-	-	29	-			29	-
Other income	2,818	2,591	4				2,821	2,591
Total other income	8,252	4,343	1,870	3,776	(606)	(566)	9,515	7,553
Other Segment information :								
Segment assets	179,308	192,997	21,507	27,490			200,815	220,487
Investment in joint venture	1,092	-	-	-			1,092	-
Total Assets	180,400	192,997	21,507	27,490	-	-	201,907	220,487

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

None

15. A breakdown of sales (include discontinued operation)

		Latest Period S$'000	Previous Period S$'000	Change %
(a)	Sales reported for first half year	113,288	108,963	4.0
(b)	Loss after tax before minority interest reported for first half year	(7,585)	(7,680)	(1.2)
(c)	Sales reported for second half year	119,849	116,617	2.8
(d)	Loss after tax before minority interest reported for second half year	(8,708)	(20,586)	(57.7)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year S$'000	Previous Full Year S$'000
Ordinary	NIL	2,239

17. 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.

		Aggregate value of all transactions conducted under a shareholder Mandate pursuant to Rule 920 of the SGX ruling manual
		Quarter Ended 31-Dec-15 S$
(a)	Transaction for the sales of goods	
	Anhui KM Technology	11,414
	Konka Precision Mould Plastic Co., Ltd	454,878
		466,292
(b)	Transaction for the purchase of goods	
	Konka Precision Mould Plastic Co., Ltd	8,643
(c)	Equipment sold to Auhui KM Technology	
	Gross Cost	1,636,942
	Acc depn	(1,014,211)
	NBV	622,731
	Selling Price	789,443
	Gain on Disposal	166,712

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held , if any, during the year
Okura Ippei	62	Brother of Mr. Lou Yiliang, Executive Director of the Company	Sales Director of Mansfield Manufacturing Co. Ltd, Hong Kong, a wholly-owned subsidiary of the Company, since 16/12/2015	No change

19. 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.

20. 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 fourth quarter and for the year ended 31 December 2015 to be false or misleading in any material aspects.

Signed by Robert Sebastiaan Lette, Chairman and Lou Yiliang, Executive Director

BY ORDER OF THE BOARD
Lou Yiliang
Executive Director
29 February 2016