

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3),
HALF YEAR and FULL YEAR RESULTS**

**1(a) An income statement (for the Group) together with a comparative statement for the corresponding period
of the immediately preceding financial year**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the Third Quarter ended 30 September 2018

Group	Note	Quarter Ended 30-Sep		Change %	9 months Ended 30-Sep		Change %
		2018 S\$'000	2017 (Restated) S\$'000		2018 S\$'000	2017 (Restated) S\$'000	
Revenue		62,506	56,345	10.9	162,484	156,530	3.8
Cost of sales	1(a)(i)(a)	(45,882)	(44,179)	3.9	(127,870)	(126,939)	0.7
Gross profit		16,624	12,166	36.6	34,614	29,591	17.0
Other items of expense							
Selling and distribution		(1,148)	(1,325)	(13.4)	(2,935)	(3,453)	(15.0)
Administrative expense	1(a)(i)(b)	(6,556)	(5,618)	16.7	(18,886)	(17,357)	8.8
Finance cost		-	-	NM	-	(1)	(100.0)
Share of joint venture (loss)/profit	1(b)(i)(B)	(2)	4	NM	(38)	52	NM
Other expenses	1(a)(i)(c)	(1,980)	(384)	415.6	(2,225)	(1,472)	51.2
Total other item of expenses		(9,686)	(7,323)	32.3	(24,084)	(22,231)	8.3
Other items of income							
Interest income		123	148	(16.9)	385	425	(9.4)
Other income	1(a)(i)(c)	2,254	883	155.3	3,912	2,732	43.2
Total other items of income		2,377	1,031	130.6	4,297	3,157	36.1
Profit before taxation		9,315	5,874	58.6	14,827	10,517	41.0
Tax expense		(2,193)	(1,882)	16.5	(1,875)	(3,454)	(45.7)
Profit for the period attributable to owners of the company		7,122	3,992	78.4	12,952	7,063	83.4
Other comprehensive income :							
Foreign currency translation		(4,024)	(39)	NM	(2,821)	(2,257)	25.0
Other comprehensive income , net of tax		(4,024)	(39)	NM	(2,821)	(2,257)	25.0
Total comprehensive income for the period , net of tax		3,098	3,953	(21.6)	10,131	4,806	110.8
Earnings per share (cents)							
Basic	Para 6	3.15	1.78	77.0	5.76	3.15	82.9
Diluted	Para 6	3.13	1.77	76.8	5.72	3.13	82.7
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-Sep		9 months Ended 30-Sep	
		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		(25,231)	(22,680)	(66,258)	(63,382)
- (Allowance)/write-back for inventory obsolescence		(380)	(132)	(332)	71
- Depreciation of property, plant and equipment ("PPE")	1(a)(i)(d)	(1,161)	(858)	(2,956)	(2,827)
- Wages and salaries	1(a)(i)(e)	(9,643)	(9,644)	(27,850)	(28,464)
(b) Included in administrative expenses are :					
- Depreciation of PPE		(298)	(367)	(921)	(1,038)
- Amortisation of prepaid land lease payments		(13)	(15)	(40)	(56)
- Amortisation of intangible assets		(28)	(22)	(76)	(66)
- Wages and salaries	1(a)(i)(f)	(3,202)	(2,452)	(9,493)	(8,395)
(c) Included in other expenses and other income are :					
- Items related to Investment Portfolio					
Gain/(Loss) on disposal of held for trading investments	1(a)(i)(g)	(62)	6	(155)	(16)
Net fair value gain/(loss) on held for trading investments	1(a)(i)(h)	183	(41)	(10)	(301)
Dividend income from investment securities	1(a)(i)(i)	47	35	152	141
Interest income from investment bond	1(a)(i)(i)	65	105	234	308
Foreign currency (loss)/gain - realised forward contract		(153)	50	(31)	116
(Loss)/gain on derivative (unrealised)	1(a)(i)(j)	154	27	(116)	191
		<u>234</u>	<u>182</u>	<u>74</u>	<u>439</u>
- Foreign currency gain/(loss) - others	1(a)(i)(k)	458	(393)	4	(1,287)
- Write-back for doubtful debts	1(a)(i)(l)	30	54	70	181
- Property rental income	1(a)(i)(m)	619	611	2,146	1,475
- Gain on disposal of PPE		361	11	309	34
- Provision for Mansfield Weihai exit expense	1(a)(i)(n)	2,000	-	2,000	-

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

- (d) Depreciation relating to cost of sales for Q3'18 was higher than Q3'17 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) Q3'18 wages and salaries decrease mainly due to lower headcount but is offset by higher bonus provision, employee incentives to improve productivity and higher headcount from newly incorporated subsidiaries, Mansfield (Thailand) Co. Ltd. ("Mansfield Thailand") and Mansfield Technology (Weihai) Co. Ltd. ("Mansfield Weihai"). In addition, the increase in minimum wage and employment of higher skilled workers for newly installed robotic arms also resulted in higher wages and salaries for certain entities. (Headcount: September 2018 = 2,398, September 2017 =2,572).
- (f) Q3'18 wages and salaries were higher mainly due to higher G&A headcount coming from Mansfield Weihai and Mansfield Thailand, higher bonus provision and employee incentives to improve productivity.. (Headcount: September 2018 =306, September 2017 =283)
- (g) This relates to loss or gain on disposal of investment securities under investment portfolio managed by an investment bank. The Board of directors decided to switch to another investment bank to discretionarily manage the investment portfolio in July 2018 to improve performance.
- (h) This relates to fair value gain or loss from investment securities under investment portfolio.
- (i) This relates to the dividend and interest from equities and bonds under the investment portfolio.
- (j) This relates to unrealised fair value gain or loss on forward contracts under an investment portfolio.
- (k) The foreign currency gain in Q3'18 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) In Q3'18, one of the subsidiaries was able to recover bad debt provisions made in December 2017 after reworking the mold sold to them.
- (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.
- (n) Even though Mansfield Weihai had secured sales order, it is now facing serious challenges due to intense price competition and adjustments of certain important customers' supply chain management. Management decided Mansfield Weihai will gradually reduce its production and withdraw from Weihai in the near future. Provision for exit expenses were made in Q3'18.

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

Balance Sheets (Unaudited)

	Note	Group		Company	
		As at 30-Sep-18 S\$'000	As at 31-Dec-17 S\$'000 (Restated)	As at 30-Sep-18 S\$'000	As at 31-Dec-17 S\$'000 (Restated)
Non-current Assets					
Property, plant and equipment	A	29,812	27,805	29	1
Investment properties		26,136	26,978	-	-
Prepaid land lease payment		1,767	1,864	-	-
Intangible assets		355	120	1	12
Investment in subsidiary	B	-	-	70,613	47,061
Investment in joint venture	C	1,527	1,631	-	-
Loan to subsidiary		-	-	-	23,552
Deposit paid for purchases of property, plant and equipment		1,953	2,562	-	-
Other receivables	D	1,111	1,433	-	-
Deferred tax assets		864	861	-	-
		63,525	63,254	70,643	70,626
Current Assets					
Inventories		26,630	24,226	-	-
Trade and other receivables		74,201	70,131	4,891	4,270
Tax recoverables		36	-	-	-
Prepayments		731	545	49	55
Held for trading financial assets	E	9,513	14,796	9,513	14,796
Derivatives	F	5	112	5	112
Cash and short-term deposit	G	46,273	35,784	4,733	2,458
		157,389	145,594	19,191	21,691
Total Assets		220,914	208,848	89,834	92,317
Current Liabilities					
Finance lease	1(b)(ii)	59	23	-	-
Trade and other payables		68,450	66,136	614	660
Provisions	H	2,044	180	-	-
Derivatives	F	8	-	8	-
Tax payable		5,177	5,552	55	42
		75,738	71,891	677	702
Net Current Assets		81,651	73,703	18,514	20,989
Non-current Liabilities					
Provision	H	503	561	-	-
Finance lease	1(b)(ii)	10	27	-	-
Deferred tax liabilities		2,274	2,334	430	430
		2,787	2,922	430	430
Total Liabilities		78,525	74,813	1,107	1,132
Net Assets		142,389	134,035	88,727	91,185
Share capital		98,021	98,021	98,021	98,021
Treasury shares		(11,739)	(12,997)	(11,739)	(12,997)
Retained earnings		56,207	47,432	2,688	5,631
Other reserves		(100)	1,579	(243)	530
Total Equity		142,389	134,035	88,727	91,185

Notes to Group Balance Sheet

- A The increase came mainly from the 2 new subsidiaries, Mansfield Thailand and Mansfield Weihai set up in 2017.
- B Effective 1 January 2018, the loan to a subsidiary is classified as investment in subsidiary and the breakdown as follows:

Company	As at 30-Sep-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

- C This relates to Anhui KM Technology, the 49%:51% 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 completed its injection of RMB9.8 million capital into the Joint Venture. The Group recognised its share of the loss of S\$2K from the JV in Q3’18.
- D These are mainly long-term rental and utilities deposit for PRC factory facilities.
- E 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 and cash of S\$3.9 million in the investment mainly from bonds maturing in Q3’18 transferred to the new investment manager classified as cash and short-term deposit (refer to Note 1(c) (J))
- F These derivatives are the unrealised fair value gains or losses from forward contracts under the portfolio investment.
- G Increase in cash and short-term deposit was mainly due to increase in net cash generated from operating activities and cash from bonds maturity offset by dividend paid in May 2018.
- H This comprise mainly of provisions for long-service payment and Weihai exit expenses.

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

	As at 30-Sep-18 S\$'000	As at 31-Dec-17 S\$'000
Amount repayable in one year or less, on demand		
- Secured	59	23
- Unsecured	-	-
	59	23
Amount repayable after one year		
- Secured	10	27
- Unsecured	-	-
	10	27
Total	69	50

Details of any collateral

Total borrowings as at 30 September 2018 amounted to S\$69,000 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-Sep		9 Months Ended 30-Sep	
		2018 S\$'000	2017 S\$'000 (Restated)	2018 S\$'000	2017 S\$'000 (Restated)
Cash flows from operating activities :					
Profit before tax		9,315	5,874	14,827	10,517
Adjustment items	I	1,689	979	5,112	1,947
Cash flows from operations before reinvesting in working capital					
Working capital changes, excluding changes relating to cash		(3,288)	(6,065)	(4,248)	(7,652)
Cash generated from operating activities					
Net interest income received and tax paid		(463)	27	(1,816)	(406)
Net cash generated from operating activities					
		7,253	815	13,875	4,406
Cash flows from investing activities :					
Purchase of property, plant and equipment		(1,168)	(427)	(6,632)	(1,884)
Deposit refund/(paid) for property, plant and equipment		125	(172)	609	220
Proceeds from sale of PPE		50	54	73	80
Additions to intangible assets		(1)	(66)	(339)	(66)
Proceeds from sale of investment securities		6,695	2,025	10,738	5,979
Acquisition of investment securities under portfolio management		(3,826)	(1,661)	(5,659)	(6,387)
Dividend from investment securities		47	35	152	141
(Deposit in)/ withdrawal from an investment portfolio account		(2,240)	233	(3,252)	740
Increase in restricted cash		(6,130)	-	(12,313)	-
Net cash used in investing activities					
		(6,448)	21	(16,623)	(1,177)
Cash flows from financing activities :					
Dividend paid on ordinary shares by the company		-	-	(2,262)	(1,119)
Proceeds from re-issuance of treasury shares		-	-	424	81
Increase/(decrease) in short term financing		30	(6)	19	(17)
Net cash generated from/(used in) from financing activities					
		30	(6)	(1,819)	(1,055)
Net change in cash and cash equivalents					
		835	830	(4,567)	2,174
Effect of exchange rate changes on cash and cash equivalents					
		(856)	140	(510)	435
Cash and cash equivalents as at beginning of period					
		30,098	30,699	35,154	29,060
Cash and cash equivalents as at end of period					
	J	30,077	31,669	30,077	31,669

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

I Details of adjustment items as follows:

GROUP	Note	Quarter Ended 30-Sep		9 Months Ended 30-Sep	
		2018 S\$'000	2017 S\$'000 (Restated)	2018 S\$'000	2017 S\$'000 (Restated)
Depreciation of property, plant and equipment		1,459	1,225	3,877	3,865
Amortisation of intangible assets		28	22	76	66
Amortisation of prepaid land lease payments		13	15	40	56
Gain on disposal of PPE and intangible assets		(361)	(11)	(309)	(34)
Loss/(gain) on disposal of held for trading investments	1(a)(i)(g)	62	(6)	155	16
Share option expense		-	83	61	236
Write-back for doubtful debts		(30)	(54)	(70)	(181)
Net fair value (gain)/loss on held for trading investments	1(a)(i)(h)	(183)	41	10	301
Net fair value loss/(gain) for derivatives	1(a)(i)(j)	(154)	(27)	116	(191)
Interest income		(123)	(148)	(385)	(425)
Allowance/(write-back) of inventory obsolescence		380	132	332	(71)
Effect of exchange rate changes		(1,266)	(150)	(530)	(1,396)
Share of results of joint venture		2	(4)	38	(52)
Provision/(reversal) for severance benefits and Weihai exit expenses	1(a)(i)(n)	1,909	(104)	1,853	(102)
Dividend income from investment securities		(47)	(35)	(152)	(141)
Total		1,689	979	5,112	1,947

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

GROUP	As at 30 September	
	2018 S\$'000	2017 S\$'000
Cash and bank balances	42,290	30,237
Cash and bank balance under portfolio investment management	3,883	290
Fixed deposits	100	1,432
Total cash and bank balance per balance sheet	46,273	31,959
Less : Cash and bank balance under portfolio investment management	(3,883)	(290)
Less: Restricted cash in short-term structured deposit	(12,313)	-
Cash and cash equivalents at end of period	30,077	31,669

* The decrease in cash and cash equivalents from 30 September 2017 to 30 September 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 1H'18	5,830	-	-	5,830	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
Foreign currency translation	1,203	-	-	-	-	1,203	-	-	-	1,203
Other comprehensive income	1,203	-	-	-	-	1,203	-	-	-	1,203
Total comprehensive Income	7,033	-	-	5,830	-	1,203	-	-	-	1,203
<u>Contribution by and distribution to owners</u>										
Treasury shares reissued pursuant to employee share option plan	424	-	1,258	-	(139)	-	-	-	(695)	(834)
Grant of equity-settled share options to employees	61	-	-	-	61	-	-	-	-	61
Dividends on ordinary shares	(2,262)	-	-	(2,262)	-	-	-	-	-	-
Total contribution by and distribution to owners	(1,777)	-	1,258	(2,262)	(78)	-	-	-	(695)	(773)
<u>Others</u>										
Transfer to statutory reserve (Note (i))	-	-	-	(914)	-	-	914	-	-	914
Balance at 30 June 2018	139,291	98,021	(11,739)	50,086	521	(78)	1,992	1,252	(764)	2,923
Profit for Q3'18	7,122	-	-	7,122	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
Foreign currency translation	(4,024)	-	-	-	-	(4,024)	-	-	-	(4,024)
Other comprehensive income	(4,024)	-	-	-	-	(4,024)	-	-	-	(4,024)
Total comprehensive Income	3,098	-	-	7,122	-	(4,024)	-	-	-	(4,024)
<u>Others</u>										
Transfer to statutory reserve (Note (i))	-	-	-	(1,001)	-	-	1,001	-	-	1,001
Balance at 30 September 2018	142,389	98,021	(11,739)	56,207	521	(4,102)	2,993	1,252	(764)	(100)

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 1H'17 (as previously reported)	3,081	-	-	3,081	-	-	-	-	-	-
Adjustment from adoption of SFRS(1) 15	(10)	-	-	(10)	-	-	-	-	-	-
Profit for 1h'17 (restated)	3,071	-	-	3,071	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
Foreign currency translation	(2,218)	-	-	-	-	(2,218)	-	-	-	(2,218)
Other comprehensive income	(2,218)	-	-	-	-	(2,218)	-	-	-	(2,218)
Total comprehensive Income	853	-	-	3,071	-	(2,218)	-	-	-	(2,218)
<u>Contribution by and distribution to owners</u>										
Treasury Shares reissued pursuant to employees share options plans	81	-	167	-	(17)	-	-	-	(69)	(86)
Grant of equity-settled share options to employees	153	-	-	-	153	-	-	-	-	153
Dividends on ordinary shares	(1,119)	-	-	(1,119)	-	-	-	-	-	-
Total contribution by and distribution to owners	(885)	-	167	(1,119)	136	-	-	-	(69)	67
Balance at 30 June 2017 (Restated)	124,850	98,021	(12,997)	41,708	405	(2,218)	-	-	(69)	(1,882)
Profit for Q3'17 (as previously reported)	3,991	-	-	3,991	-	-	-	-	-	-
Adjustment from adoption of SFRS(1) 15	1	-	-	1	-	-	-	-	-	-
Profit for Q3'17 (restated)	3,992	-	-	3,992	-	-	-	-	-	-
<u>Other Comprehensive Income</u>										
Foreign currency translation	(39)	-	-	-	-	(39)	-	-	-	(39)
Other comprehensive income	(39)	-	-	-	-	(39)	-	-	-	(39)
Total comprehensive Income	3,953	-	-	3,992	-	(39)	-	-	-	(39)
<u>Contribution by and distribution to owners</u>										
Grant of equity-settled share options to employees	83	-	-	-	83	-	-	-	-	83
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-
Total contribution by and distribution to owners	83	-	-	-	83	-	-	-	-	83
Balance at 30 September 2017 (Restated)	128,886	98,021	(12,997)	45,700	488	(2,257)	-	-	(69)	(1,838)

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 1H'18, representing total comprehensive income	(799)	-	-	(799)	-	-	-
<u>Contributions by and distribution to owners</u>							
Treasury shares reissued pursuant to employee share option plan	424	-	1,258	-	(139)	(695)	(834)
Grant of equity-settled share options to employees	61	-	-	-	61	-	61
Dividends on ordinary shares	(2,262)	-	-	(2,262)	-	-	-
Total transactions with owners in their capacity as owners	(1,777)	-	1,258	(2,262)	(78)	(695)	(773)
Balance at 30 June 2018	88,609	98,021	(11,739)	2,570	521	(764)	(243)
Profit for Q3'18, representing total comprehensive income	118	-	-	118	-	-	-
Balance at 30 September 2018	88,727	98,021	(11,739)	2,688	521	(764)	(243)
2017							
Balance at 1 January 2017	94,911	98,021	(13,164)	9,785	269	-	269
Loss for 1H'17, representing total comprehensive income	(1,906)	-	-	(1,906)	-	-	-
<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	153	-	-	-	153	-	153
Dividends on ordinary shares	(1,119)	-	-	(1,119)	-	-	-
Total transactions with owners in their capacity as owners	(885)	-	167	(1,119)	136	(69)	67
Balance at 30 June 2017	92,120	98,021	(12,997)	6,760	405	(69)	336
Loss for Q3'17, representing total comprehensive income	(445)	-	-	(445)	-	-	-
<u>Contributions by and distribution to owners</u>							
Grant of equity-settled share options to employees	83	-	-	-	83	-	83
Total transactions with owners in their capacity as owners	83	-	-	-	83	-	83
Balance at 30 September 2017	91,758	98,021	(12,997)	6,315	488	(69)	419

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

(a) Share Capital

Number of ordinary shares as at 30 September 2018 and 30 June 2018 is 246,656,428.

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

	As at 30/9/2018	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 ex-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 September 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 30/9/2018		As at 30/9/2017	
	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-Sep-17 S\$'000 (Restated)	9 Months ended 30-Sep-17 S\$'000 (Restated)
Increase/(decrease) in :		
Consolidated Income Statement		
- Revenue	(105)	(44)
- Cost of Sales	106	35

6. Earning per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year , after deducting any provision for preference dividends.

Earning per ordinary share of the Group based on net earnings attributable to the owners of the Company :	Quarter Ended 30-Sep		9 Months Ended 30-Sep	
	2018	2017	2018	2017
(i) Based on the weighted average number of shares (in cents)				
Earning per share	3.15	1.78	5.76	3.15
Weighted average number of shares ('000)	226,305	224,125	225,036	223,966
(ii) On a fully diluted basis (in cents)				
Earning per share	3.13	1.77	5.72	3.13
Adjusted weighted average number of shares ('000)	227,785	225,942	226,520	225,893

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

	Group		Company	
	As at 30-Sep-18	As at 31-Dec-17 (Restated)	As at 30-Sep-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	* 62.9 cents	59.8 cents	39.2 cents	40.7 cents

* Increased mainly due to profit for 9 months ended 30 September 2018, proceed from re-issuing of treasury shares, offset against translation loss as a result of strengthening of HK\$/S\$ exchange rate as at 30 September 2018 (0.1747) compared to 31 December 2017 (0.1709) and 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 September 2018 (Q3'18)

	Q3'18 S\$'000	Q3'17 S\$'000 (Restated)	Q3'18 vs Q3'17 S\$'000	Q3'18 vs Q3'17 %
Turnover				
MSF - In S\$	62,506	56,345	6,161	10.9
MSF - In HK\$'000	HKD 358,447	HKD 323,664	HKD 34,783	10.7
Average S\$/HK\$ exchange rate	HKD 5.73	HKD 5.74		
Net profit/(loss) attributable to owners of the parent				
MSF - before exchange rate impact	6,565	4,443	2,122	47.8
Exchange gain/(loss)	439	(350)	789	NM
MSF Group	7,004	4,093	2,911	71.1
MSF Group - HK\$'000	HKD 40,216	HKD 23,581	HKD 16,635	70.5
InnoTek - before exchange rate impact	99	(57)	156	NM
Exchange gain/(loss)	19	(44)	63	NM
InnoTek	118	(101)	219	216.8
InnoTek Group - before exchange rate impact	6,664	4,386	2,278	51.9
Exchange gain/(loss)	458	(394)	852	NM
Total Innotek Group	7,122	3,992	3,130	78.4
Basic EPS (cents)	3.15	1.78	1.37	77.0

NM denotes "Not meaningful"

Turnover (Q3'18 vs Q3'17)

The Group's revenue for the July-to-September 2018 quarter ("Q3'18") increased by S\$6.2 million or 10.9% to S\$62.5 million from S\$56.3 million in Q3'17 due mainly to:

- (1) Revenue from the Precision Components segment has increased compared to Q3'17. Although the transfer of Chinese production from major Japanese OA customers to Southeast Asian countries is still in progress, it is stabilizing. This quarter's OA sales showed slight increase over Q3'17 after intensive effort put in by the Dongguan and Suzhou factories to obtain orders for new products of our major customers. Our Dongguan factory continue to support the Thailand factory shipment to a major OA customer in Thailand. In addition, despite current programmes nearing end-of-life, sales for automotive products were stable due mainly to some newly secured automotive projects have begun production in Q3'18 while mass production from other newly secured automotive programmes will only start next year. Despite the reduction in demand for TV, Q3'18 was the peak season for TV back panel production.
- (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. The continual shipment for the one-time order in Q2'18 for commercial display product also contributed to the increase in revenue from the Precision Machining segment.
- (3) Q3'18 tooling sales increased slightly compared to Q3'17 due mainly to sales to new mold orders from Auto and OA customers.

Net Profit (Q3'18 vs Q3'17)

The Group net profit was S\$7.1 million, an increase of S\$3.1 million compared to S\$4.0 million profit in Q3'17 due mainly to:

- (1) Mansfield Group ("MSF") posted a profit of S\$7.0 million in Q3'18, S\$2.9 million higher than the profit of S\$4.1 million in Q3'17 due mainly to:
 - a) MSF's gross profit ("GP") margin increased to 26.6% in Q3'18 from 21.6% in Q3'17 due mainly to :
 - Higher sales from the Precision Machining business
 - Introduction of manufacturing automation for the stamping business resulting in headcount reduction and improve production efficiency

Offset by

 - Start-up costs from newly incorporated subsidiaries Mansfield Wei Hai and Mansfield Thailand.
 - Higher salary and wages due mainly to increase in minimum wages, higher headcount for Mansfield Thailand and Mansfield Wei Hai and bonus provision.
 - b) Higher exchange gain in Q3'18 mainly due to the strengthening of HK\$ vs RMB coming from HK\$ intercompany receivable and CNY payable by HK subsidiaries. (Note 1(a)(i)(k))

Review for the Quarter ended 30 September 2018 (Q3'18) (Cont'd)

- c) Higher gain on disposal of fixed assets in Q3'18
 - d) Offset by higher G&A expenses mainly salary and wages from newly set-ups, Mansfield Weihai and Mansfield Thailand, bonus provision
 - e) Provision for Mansfield Weihai withdrawal plan expense
- (2) InnoTek's profit in Q3'18 was S\$0.1 million favorable by S\$0.2 million compared to a loss of S\$0.1 million in Q3'17 due mainly to:
- Lower salary and wages from one fewer staff member and no share option expense in Q3'18 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
 - Exchange gain from the strengthening of HK\$ vs S\$ for interest receivable from loan to a subsidiary (Note 1(a)(i)(k))
 - Net fair value gain from investment portfolio in Q3'18 compared to net fair value loss in Q3'17 (Note 1(a)(i)(c))

(B) Review for the 9 months ended 30 September 2018 (9M'18)

	9M'18 S\$'000	9M'17 S\$'000 (Restated)	9M'18 vs 3Q'17 S\$'000	9M'18 vs 9M'17 %
Turnover				
MSF - In S\$	162,484	156,530	5,954	3.8
MSF - In HK\$'000	HKD 948,996	HKD 878,304	HKD 70,692	8.0
Average S\$/HK\$ exchange rate	5.84	5.61		
Net Profit/(loss) attributable to owners of the parent				
MSF - before exchange rate impact	13,697	8,727	4,970	56.9
Exchange loss	(64)	(1,049)	985	93.9
MSF Group	13,633	7,678	5,955	77.6
MSF Group - HK\$'000	HKD 79,160	HKD 43,376	HKD 35,784	82.5
InnoTek - before exchange rate impact	(749)	(377)	(372)	(98.7)
Exchange gain/(loss)	68	(238)	306	NM
InnoTek	(681)	(615)	(66)	(10.7)
InnoTek Group - before exchange rate impact	12,948	8,350	4,598	55.1
Exchange loss	4	(1,287)	1,291	100.3
Total Innotek Group	12,952	7,063	5,889	83.4
Basic EPS (cents)	5.76	3.15	2.61	82.9

NM denotes " Not meaningful"

Turnover (9M'18 vs 9M'17)

The Group's revenue for the January-to-September 2018 period ("9M'18") increased by S\$6.0 million or 3.8% to S\$162.5 million from S\$156.5 million in 9M'17. However in terms of HK\$, the Group's revenue increased HK\$70.7 million or 8.0% from HK\$878.3 million to HK\$949.0 million. This is due to the weakening of the HK\$/S\$ in 9M'18 at 5.84 compared to 5.61 in 9M'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, automation (OA) and consumer products offset by lower demand for TV back panels. OA sales is stabilizing as a result of the Group effort to respond and adapt to customers' tightened demand for quality and delivery time imposed for Chinese-based 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. The demand for TV bezels continues for large, high definition (HD) TVs. Automotive car display panel was also higher in 9M'18 compared to 9M'17. A one-time sale order in Q2'18 for commercial display product which production continued into 9M'18 also contributed to the increase in revenue from the Precision Machining segment. All these made up for the lower demand of TV bezel under 55 inch resulting from transition to plastic frames.
- (3) Increased tooling sales due mainly to sales to 2 new customers and new mold orders from OA and Auto customers. Efforts put into clearing long-outstanding work-in-progress also resulted in higher sales.

Review for the 9 months ended 30 September 2018 (9M'18) - Cont'd

Net Profit (9M'18 vs 9M'17)

The Group recorded a profit of S\$13.0 million for 9M'18, an increase of S\$5.9 million from the profit of S\$7.1 million in 9M'17, due mainly to:

- (1) Mansfield Group ("MSF") profit was S\$13.6 million in 9M'18, S\$5.9 million higher than the profit of S\$7.7 million in 9M'17 due mainly to:
 - a) MSF's gross profit ("GP") margin increased to 21.3% in 9M'18 from 18.9% in 9M'17 due mainly to:
 - Higher sales from the Precision Machining business
 - Introduction of manufacturing automation for the stamping business resulting in headcount reduction and improve production efficiency

Offset by

 - Start-up costs from newly incorporated subsidiaries Mansfield Wei Hai and Mansfield Thailand
 - 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.
 - 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) Lower exchange loss mainly due to the strengthening of HK\$ vs RMB coming from HK\$ intercompany receivable and CNY payable by HK subsidiaries. (Note 1(a)(i)(k))
 - d) Higher gain in disposal of fixed assets in 9M'18
 - e) Offset by higher G&A expenses mainly salary and wages from Mansfield Weihai and Mansfield Thailand, bonus provision and provisions in Q3'18 for Mansfield Weihai withdrawal plan expense .
- (2) InnoTek's loss in 9M'18 was S\$0.7 million, S\$0.1 million higher than the loss of S\$0.6 million in 9M'17 due mainly to:
 - Lower net investment portfolio gain in 9M'18 compared to 9M'17 (refer to 1(a)(i) (c)) as equity and bonds prices were affected by trade war between China and US in 1H'18.

Offset by

 - Exchange gain of S\$0.1 million in 9M'18, favorable by S\$0.3 million compared to exchange loss of S\$0.2 million in 9M'17
 - Lower salary and wages due to one fewer staff member and no share option expense from Q2'18 onward as the share option granted to CEO had been fully vested by Q1'18 and
 - Lower office rental for the new premise in 1 April 2018 to 30 September 2018.

9. A forecast, or projected statement, has been previously disclosed to shareholders, any variance between it and the actual results

None

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The Sino-U.S. trade war has impacted the world as well as China's domestic economy. Though the Chinese government has adopted an active policy of expanding domestic market, the global economy appears to be on a downward trend, at least in the short term. Even though the U.S. is not a major export market for the Group, the Group will remain cautious and keep a lookout for any potential impact on its business to which it will react accordingly and promptly. In addition, the Group's operations continue to face challenges such as unstable raw material prices, rising labour costs and intense supply-side competition.

The Group's newly secured automotive projects have begun mass production; those that have yet to do so are mostly scheduled to commence in the remaining period of 2H'18 or in FY'19. However, some of the Group's older projects gradually entered into end-of-life during the quarter and slowed down production as a result. Nevertheless, while the overall growth rate of the automotive segment will slow down in the coming half year, the trend is towards stable growth. In addition to basic interior components, it is producing functional and safety parts to expand its suite of offerings. The Group remains committed to developing its automotive business and expects steady growth in this business segment for the foreseeable future.

Paragraph 10 (Cont'd)

Although high-definition (“HD”) TVs under 55 inches have increasingly transitioned to plastic frames, and total bezel production has been reduced accordingly, there is still demand for larger HDTV bezels. The Group will adjust the sales structure of TV bezel according to customer demand. Sales of heat sinks will also contribute to steady growth for the precision machining business. The Group will support growth in this segment by developing new technology for larger HDTV frames, as well as introducing manufacturing automation and other measures to streamline production efficiency and boost product quality.

The Group’s revenue from office automation (“OA”) has remained steady since 1H’18 despite Japanese customers’ ongoing transfer of production from China to Southeast Asia. This reflects the Group’s ability to respond and adapt to customers’ changing demands to tighten their requirements in terms of quality and delivery time for China-based suppliers and now work mainly with a centralized selection of elite suppliers. The Group will continue to grow its OA market share by shifting from single-component supply to assembly works, and expects its Thailand factory to become an integral part of this supply chain going forward.

The Group has been developing its Mansfield units in Rayong, Thailand and Weihai, China. Mansfield Thailand officially opened in June 2018 and has already begun local shipments with support from the Group’s Dongguan plant. It aims to start own production in December 2018. Although Mansfield Weihai has also secured important customers and commenced local production, it is now facing serious challenges due to intense price competition and adjustments of certain important customers’ supply chain management. These factors, which have affected the local supply-demand equation in Weihai, have led management to decide Mansfield Weihai will gradually reduce its production and withdraw from Weihai in the near future.

The Group remains cautious about its prospects and will monitor global economic developments for any impact on the business. By continuing to improve manufacturing processes and implementing employee incentives, the Group aims to streamline labour structure and raise productivity. Going forward, the Group will continue to improve its competitiveness and develop cutting-edge technology to maintain and strengthen its relationships with customers, so as to form a strong foundation for future growth.

11. Dividend

(a) Current Financial period Reported On

Any dividend declared for the present financial period? No

(b) Corresponding period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closing date

Not applicable

12. If no dividend has been declared / recommended , a statement to that effect

No dividend was declared for the present financial period.

- 13. Interested Person Transactions – Rule 920(1)(a)(ii) – An issuer must announce the aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the financial period which it is required to report on pursuant to Rule 705.**

Interested parties transactions for the 9 months ended 30 September 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	1,072,772	N/A
All Brilliant Ltd	108,084	NA
Anhui KM Technology	68,853	N/A
Wuhan Grand Mould Plastic Co. Ltd	583,576	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 third quarter ended 30 September 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
13 November 2018