

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF FIRST AND SECOND HALF YEAR and FULL YEAR RESULTS

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the Second Half Year ended 31 December 2020

Group	Note	Second Half Year Ended 31-Dec		Change %	12 months Ended 31-Dec		Change %
		2020 S\$'000	2019 S\$'000		2020 S\$'000	2019 S\$'000	
Revenue		103,487	97,394	6.3	183,192	186,721	(1.9)
Cost of sales	1(a)(i)(a)	(75,560)	(76,558)	(1.3)	(138,186)	(145,956)	(5.3)
Gross profit		27,927	20,836	34.0	45,006	40,765	10.4
Other items of expense							
Selling and distribution		(2,278)	(1,844)	23.5	(3,876)	(3,452)	12.3
Administrative expense	1(a)(i)(b)	(11,454)	(11,635)	(1.6)	(22,515)	(24,005)	(6.2)
Finance cost	1(a)(i)(e)	(1,240)	(102)	NM	(2,429)	(164)	NM
Other expenses	1(a)(i)(c)	(3,128)	(300)	942.7	(3,675)	(304)	1,108.9
Share of results of joint venture		75	117	(35.9)	16	3	433.3
Total other item of expenses		(18,025)	(13,764)	31.0	(32,479)	(27,922)	16.3
Other items of income							
Interest income		520	646	(19.5)	1,260	1,174	7.3
Other income	1(a)(i)(c)	3,929	2,517	56.1	5,437	5,338	1.9
Total other items of income		4,449	3,163	40.7	6,697	6,512	2.8
Profit before tax		14,351	10,235	40.2	19,224	19,355	(0.7)
Income tax expense	1(a)(i)(d)	(4,217)	(1,305)	223.1	(5,356)	(2,697)	98.6
Profit for the period attributable to owners of the company		10,134	8,930	13.5	13,868	16,658	(16.7)
Other comprehensive income :							
<u>Items that may be classified subsequently to profit or loss</u>							
- Foreign currency translation		3,668	(2,615)	(240.3)	6,124	(3,675)	(266.6)
- Fair value gain on financial assets measured at fair value through other comprehensive income		333	124	168.5	71	124	(42.7)
<u>Items that will not be reclassified to profit or loss</u>							
- Revaluation gain on property , plant and equipment upon transfer to investment properties		-	1,298	NM	-	1,298	NM
Other comprehensive income for the period , net of tax		4,001	(1,193)	(435.4)	6,195	(2,253)	(375.0)
Total comprehensive income for the period attributable to owners of the Company		14,135	7,737	82.7	20,063	14,405	39.3
Earnings per share attributable to owners of the Company (cents per share)							
Basic	Para 6	4.48	3.95	13.4	6.13	7.36	(16.7)
Diluted	Para 6	4.44	3.91	13.6	6.08	7.30	(16.7)
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	2nd Half Year		12 Months Ended	
		31-Dec		31-Dec	
		2020	2019	2020	2019
		S\$'000	S\$'000	S\$'000	S\$'000
(a) Major items included in cost of sales are :					
- Inventories recognised as an expense in cost of sales		(42,143)	(41,076)	(74,046)	(77,033)
- Net allowance for inventory obsolescence		(21)	(565)	(453)	(414)
- Depreciation of property, plant and equipment ("PPE")		(2,072)	(1,885)	(4,103)	(3,721)
- Depreciation of right-of-use assets	1(a)(i)(e)	(2,198)	(201)	(3,989)	(433)
- Rental expense	1(a)(i)(e)	-	(1,240)	-	(2,459)
- Wages and salaries	1(a)(i)(f)	(14,288)	(14,867)	(27,517)	(29,257)
(b) Major items included in administrative expenses are :					
- Depreciation of PPE		(720)	(637)	(1,387)	(1,320)
- Amortisation of intangible assets		(52)	(50)	(99)	(100)
- Depreciation of right-of-use assets	1(a)(i)(e)	(474)	(164)	(869)	(298)
- Rental expense	1(a)(i)(e)	(69)	(520)	(205)	(1,162)
- Wages and salaries	1(a)(i)(f)	(6,557)	(6,640)	(13,086)	(13,267)
(c) Major items included in other expenses and other income are :					
- Items related to Investment Portfolio					
Fair value("FV") gain / (loss) for equities		483	128	(186)	471
Fair value("FV") gain for Bonds		333	110	71	196
Net (loss)/gain on disposal of other investment	1(a)(i)(h)	(43)	-	(886)	27
Dividend income from other investment		79	83	148	163
Interest income from investment bonds		252	231	549	403
Subtotal		1,104	552	(304)	1,260
FV gain of debt instruments through other comprehensive income		(333)	(124)	(71)	(124)
		771	428	(375)	1,136
- Foreign currency (loss)/gain	1(a)(i)(g)	(2,754)	604	(2,272)	710
- Net fair value loss on investment property		(331)	(304)	(331)	(304)
- (Allowance for) / write-back of expected credit losses	1(a)(i)(i)	-	(4)	356	(8)
- Property rental income		1,397	1,384	2,434	2,934
Non-recurring items:					
- Write-back of impairment loss	1(a)(i)(j)	1,003	-	1,003	149

(d) Higher tax in 2020 mainly due to Magix Dongguan high technology concessionary rate of 15% for 3 years awarded by the Dongguan Provincial Government agencies ended in 2019. The increase was also due to withholding taxes paid relating to dividends declared from China subsidiaries to Hong Kong subsidiaries during the year.

(e) A new rental agreement was signed by Suns Mansfield at a much higher rate in December 2019 effective 1 January 2020. Under SFRS(I)16, S\$22.4 million was capitalised under right-of-use assets as at 31 December 2019 with a corresponding amount charged to lease liabilities. This resulted in higher depreciation of right-of-use assets and corresponding interest on operating lease liabilities which was charged into finance cost in 2020 profit and loss accounts amounting to S\$2,391,000 (2019 = S\$158,000). In 2019, it was considered as rental expense as the old rental agreement term ended in less than 12 months and considered as short-term lease allowed under SFRS(I)16. The increase is also being contributed by the signing of the additional lease agreement by Magix Dongguan in April 2020, which has also contributed to the increase in amortization of right-of-use assets. Below detailed the comparison between FY'20 and FY'19.

	Note	2H'20	2H'19	FY20	FY19
		S\$'000	S\$'000	S\$'000	S\$'000
Under cost of sales					
Depreciation of right-of-use assets	1(a)(i)(a)	(2,198)	(201)	(3,989)	(433)
Rental expense	1(a)(i)(a)	-	(1,240)	-	(2,459)
Under administrative expenses					
Depreciation of right-of-use assets	1(a)(i)(b)	(474)	(164)	(869)	(298)
Rental expense	1(a)(i)(b)	(69)	(520)	(205)	(1,162)
Interest relating to operating lease	1 (c)	(1,208)	(98)	(2,391)	(158)
Total		(3,949)	(2,223)	(7,454)	(4,510)

(f) Lower wages and salaries in 2020 mainly due to government subsidies for COVID-19.

(g) Exchange loss in 2020 was mainly due to the weakening of HK\$ and US\$ vs RMB for HK\$ and US\$ inter-company receivables from and RMB intercompany payables by HK subsidiaries. Besides the exchange loss was also due to the weakening of US\$ against S\$ in year 2020 for InnoTek US\$ fixed deposit.

(h) The loss on disposal of other investment in year 2020 as mainly due to the disposal of securities in investment portfolio in 1H'20 during the COVID-19 pandemic to raise fund for the payment of dividend to InnoTek shareholders in June 2020.

(i) Write-back of expected credit losses provided in 2018 relating to a long outstanding receivable from a tooling customer due to quality issues that were resolved in April 2020 and payment received.

(j) This relates to impairment loss previously provided by the Suzhou plant for leasehold building but write-back due to the current fair value of the building is higher than its carrying value.

1(b) (i) A statement of financial position (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-20 S\$'000	As at 31-Dec-19 S\$'000	As at 31-Dec-20 S\$'000	As at 31-Dec-19 S\$'000
Non-current Assets					
Property, plant and equipment		31,413	29,133	4	15
Investment properties		27,064	27,391	-	-
Intangible assets		318	300	-	-
Investment in subsidiary		-	-	47,061	47,061
Investment in joint venture		1,645	1,519	-	-
Right-of-use assets		22,855	25,250	10	51
Prepayments for property, plant and equipment		2,095	456	-	-
Other receivables		977	1,417	-	-
Deferred tax assets		937	692	-	-
		87,304	86,158	47,075	47,127
Current Assets					
Inventories		22,766	25,220	-	-
Trade and other receivables	A	61,774	58,656	4,861	5,847
Contract assets		1,653	1,467	-	-
Loan to subsidiary	B	-	-	-	13,500
Prepayments		464	272	40	47
Other investments	C	18,530	28,742	18,509	24,297
Cash and short-term deposits	D	73,274	43,999	22,344	1,664
		178,461	158,356	45,754	45,355
Total Assets		265,765	244,514	92,829	92,482
Current Liabilities					
Lease liabilities	1(b)(ii)	3,967	3,193	10	41
Trade and other payables		52,393	52,019	473	701
Contract liabilities		2,747	1,922	-	-
Provisions		7	5	-	-
Loan and borrowings	1(b)(ii)	441	-	-	-
Income tax payable	E	6,019	3,711	30	16
		65,574	60,850	513	758
Net Current Assets		112,887	97,506	45,241	44,597
Non-current Liabilities					
Provisions		472	474	-	-
Lease liabilities	1(b)(ii)	17,753	20,333	-	10
Loan and borrowings	1(b)(ii)	1,213	224	-	-
Deferred tax liabilities	E	2,808	1,721	643	643
		22,246	22,752	643	653
Total Liabilities		87,820	83,602	1,156	1,411
Net Assets		177,945	160,912	91,673	91,071
Equity attributable to owners of the Company					
Share capital		98,021	98,021	98,021	98,021
Treasury shares		(11,739)	(11,739)	(11,739)	(11,739)
Retained earnings		84,226	74,822	4,768	4,602
Other reserves		7,437	(192)	623	187
Total Equity		177,945	160,912	91,673	91,071

Notes to Group Balance Sheet

- A Trade receivables increased at end of December 2020 compared to end of December 2019 due mainly to sales in 2H'20 is higher compared to 2H'19.
- B The loan from InnoTek to Mansfield Manufacturing Company Limited was fully repaid in June 2020.
- C The breakdown of other investments is as follows:

Group	As at 31-Dec-20 S\$'000	As at 31-Dec-19 S\$'000
At FV through profit or loss - Equity securities (quoted)	5,591	7,678
At FV through other comprehensive income - Debt securities (quoted)	12,918	16,619
Total Investment portfolio (*)	18,509	24,297
Structured deposits (**)	21	4,445
Total	18,530	28,742

* These are quoted equities and bonds securities managed by a financial institution in Singapore. The fair value measurement at the end of the reporting period are based on prices obtained from the portfolio manager. The reduction was mainly due to fair value loss in 1H'20 affected by COVID-19 pandemic, and to a withdrawal of S\$4.6 million in 1H'20 during the COVID-19 pandemic period for payment of dividend to InnoTek shareholders in June 2020 and for InnoTek company operational use .

** Structured deposits are a combination of a fixed deposits and an investment product with principal guaranteed at maturity and where the returns can vary based on an underlying that they are linked to. They are less than 3 months' tenor short-term deposit placed with PRC established banks.

- D Increase in cash and short-term deposit was mainly due movement back of fund from maturing short-term structured deposit under investment, cash generated from operation offset by dividend payment in June 2020 and purchase of PPE
- E Income tax provision increase mainly due to higher tax provision by Magix Dongguan high technology concessionary rate of 15% for 3 years awarded by the Dongguan Provincial Government agencies ended in 2019. Simultaneously the deferred tax liabilities provision was made for the differences between tax base and accounting amounts of PPE, right-of-use assets and investment properties (Note 1(a)(i)(d))

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

	Note	As at 31-Dec-20 S\$'000	As at 31-Dec-19 S\$'000
Amount repayable in one year or less, on demand			
- Finance lease - secured	(1)	10	16
- Lease liabilities		3,957	3,177
Total lease liabilities		3,967	3,193
Bank Loan - secured	(2)	441	-
		4,408	3,193
Amount repayable after one year			
- Finance lease - secured		-	10
- Lease liabilities		17,753	20,323
Total lease liabilities		17,753	20,333
Bank Loan - secured	(2)	1,213	224
		18,966	20,557
Total		23,374	23,750

Details of any collateral

- (1) The secured finance lease as at 31 December 2020 are finance leases for certain items of motor vehicles amounting to S\$10,000 (31 December 2019: S\$26,000).
- (2) The THB 40 million (S\$1.8 million) bank loan was secured against the Thailand factory. As of December 2020, the loan was fully drawdown and quarterly repayment commenced in November 2020 over a period of 4 years.

1(c) A statement of cash flows (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	2nd Half Year Ended		12 months Ended	
		31-Dec		31-Dec	
		2020	2019	2020	2019
		S\$'000	S\$'000	S\$'000	S\$'000
Operating activities :					
Profit before tax		14,351	10,235	19,224	19,355
Adjustment items	F	7,738	1,062	15,030	2,151
Operating cash flows before changes in working capital		22,089	11,297	34,254	21,506
Changes in working capital , excluding changes relating to cash		3,555	(887)	(185)	50
Cash flows from operationns		25,644	10,410	34,069	21,556
Interest paid for operating lease	1(a)(i)(e)	(1,208)	(98)	(2,391)	(158)
Other Interest paid		(31)	(4)	(37)	(6)
Net interest income received		543	669	1,311	1,209
Net tax paid		(1,609)	(2,222)	(2,451)	(4,706)
Net cash generated from operating activities		23,339	8,755	30,501	17,895
Investing activities :					
Purchase of property, plant and equipment ("PPE")		(2,947)	(1,057)	(4,137)	(2,063)
(Increase)/decrease in prepayments for PPE		(1,482)	75	(1,639)	(188)
Proceeds from disposal of PPE		106	22	204	249
Additions to intangible assets		(79)	(10)	(97)	(49)
Proceeds from disposal of other investments		2,467	2,395	9,049	5,088
Purchase of other investments		(2,533)	(12,466)	(4,313)	(16,128)
Dividend from other investments		79	83	148	163
(Increase)/decrease in bank balance under portfolio investment management		(154)	1,324	(590)	(404)
Decrease in structured deposit		1,949	17,987	4,424	8,451
Net cash (used in)/generated from investing activities		(2,594)	8,353	3,049	(4,881)
Financing activities :					
Dividend paid on ordinary shares by the company		-	-	(3,395)	(3,395)
Proceeds from bank borrowing		1,539	222	1,539	222
Repayment of obligation under finance lease		(7)	(17)	(17)	(33)
Payment of principal portion of operating lease liabilities		(1,952)	(268)	(3,517)	(583)
Repayment of bank borrowing		(109)	-	(109)	-
Net cash flows used in financing activities		(529)	(63)	(5,499)	(3,789)
Net increase in cash and cash equivalents		20,216	17,045	28,051	9,225
Effect of exchange rate changes on cash and cash equivalents		(582)	(114)	634	(279)
Cash and cash equivalents as at beginning of period		51,977	25,995	42,926	33,980
Cash and cash equivalents as at end of period	G	71,611	42,926	71,611	42,926

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

F Details of adjustment items as follows:

GROUP	Note	Second Half Year Ended 31-Dec		12 months Ended 31-Dec	
		2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Depreciation of property, plant and equipment (PPE)		2,792	2,522	5,490	5,041
Amortisation of intangible assets		52	50	99	100
Depreciation of right-of-use assets	1(a)(i)(e)	2,671	365	4,858	731
Net gain on disposal of PPE		(80)	(32)	(135)	(43)
Net loss/(gain) on disposal of other investments		43	(1)	886	(27)
Reversal of impairment loss on PPE		(1,003)	-	(1,003)	(149)
Share -based payments		124	190	365	306
Net allowance / (write-back) for expected credit losses		-	4	(356)	8
Net fair value (gain) / loss on investment securities measured at fair value through profit or loss		(483)	(114)	186	(543)
Net fair value loss/(gain) on investment properties		331	304	331	304
Interest expense		1,240	102	2,429	164
Interest income		(520)	(646)	(1,260)	(1,174)
Net allowance for inventory obsolescence		21	565	453	414
Reversal of impairment loss on capitalised contract costs		-	(319)	-	(319)
Exchange differences		2,720	(1,708)	2,877	(2,471)
Share of results of joint venture		(75)	(117)	(16)	(3)
Net reversal of provisions		(16)	(20)	(26)	(25)
Dividend income from other investments		(79)	(83)	(148)	(163)
Total		7,738	1,062	15,030	2,151

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

GROUP	As at 31 December	
	2020 S\$'000	2019 S\$'000
Cash at bank and on-hand balances	55,282	38,379
Cash at bank under portfolio investment management	1,663	1,073
Fixed deposits	16,329	4,547
Cash and short-term deposit per balance sheet	73,274	43,999
Less : Cash at bank under portfolio investment management	(1,663)	(1,073)
Cash and cash equivalents per cashflow statement	71,611	42,926

* The increase in cash and cash equivalents from 31 December 2019 to 31 December 2020 was mainly due to cash generated from operation and funds from maturing of short-term structured deposit under other investment as at 31 December 2020, offset by dividend payment in June 2020 and purchase of PPE.

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	Fair value reserve of financial assets at FVOCI S\$'000	Asset Revaluation reserve S\$'000	Gain or loss on reissuance of Treasury shares S\$'000	Total other Reserve S\$'000	
2020												
Balance at 1 January 2020	160,912	98,021	(11,739)	74,822	827	(7,857)	4,928	124	2,550	(764)	(192)	
Profit for 2020	13,868	-	-	13,868	-	-	-	-	-	-	-	
Other Comprehensive Income for the year, net of tax												
- Foreign currency translation	6,124	-	-	-	-	6,124	-	-	-	-	6,124	
- Fair value loss on financial assets measured at fair value through other comprehensive income ("FVOCI")	71	-	-	-	-	-	-	71	-	-	71	
Other comprehensive income for the year	6,195	-	-	-	-	6,124	-	71	-	-	6,195	
Total comprehensive Income	20,063	-	-	13,868	-	6,124	-	71	-	-	6,195	
<u>Contribution by and distribution to owners</u>												
Grant of equity-settled share options to employees	365	-	-	-	365	-	-	-	-	-	365	
Dividends on ordinary shares	(3,395)	-	-	(3,395)	-	-	-	-	-	-	-	
Total contribution by and distribution to owners, representing total transactions with owners in their capacity as owners	(3,030)	-	-	(3,395)	365	-	-	-	-	-	365	
<u>Others</u>												
Transfer to statutory reserve (Note (i))	-	-	-	(1,069)	-	-	1,069	-	-	-	1,069	
Balance at 31 December 2020	177,945	98,021	(11,739)	84,226	1,192	(1,733)	5,997	195	2,550	(764)	7,437	

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	Fair value reserve of financial assets at FVOCI S\$'000	Asset Revaluation reserve S\$'000	Gain or loss on reissuance of Treasury shares S\$'000	Total other Reserve S\$'000
Balance at 1 January 2019	149,596	98,021	(11,739)	62,921	521	(4,182)	3,566	-	1,252	(764)	393
Profit for 2019	16,658	-	-	16,658	-	-	-	-	-	-	-
<u>Other Comprehensive Income for the year, net of tax</u>											
- Foreign currency translation	(3,675)	-	-	-	-	(3,675)	-	-	-	-	(3,675)
- Revaluation gain on property, plant and equipment upon transfer to investment properties	1,298	-	-	-	-	-	-	1,298	-	-	1,298
- Fair value gain on financial assets measured at fair value through other comprehensive income ("FVOCI")	124	-	-	-	-	-	-	124	-	-	124
Other comprehensive income for the year	(2,253)	-	-	-	-	(3,675)	-	124	1,298	-	(2,253)
Total comprehensive Income	14,405	-	-	16,658	-	(3,675)	-	124	1,298	-	(2,253)
<u>Contribution by and distribution to owners</u>											
Grant of equity-settled share options to employees	306	-	-	-	306	-	-	-	-	-	306
Dividends on ordinary shares	(3,395)	-	-	(3,395)	-	-	-	-	-	-	-
Total contribution by and distribution to owners, representing total transactions with owners in their capacity as owners	(3,089)	-	-	(3,395)	306	-	-	-	-	-	306
<u>Others</u>											
Transfer to statutory reserve (Note (i))	-	-	-	(1,362)	-	-	1,362	-	-	-	1,362
Balance at 31 December 2019	160,912	98,021	(11,739)	74,822	827	(7,857)	4,928	124	2,550	(764)	(192)

Note (i): In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the PRC, such subsidiaries are required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the accumulative total of the SRF reaches 50% of the subsidiary' s registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

Statement of changes in equity (cont'd)

COMPANY	Total equity S\$'000	Attributable to owners of the Company						
		Issued capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Share option reserve S\$'000	Fair value reserve of financial assets at FVOCI S\$'000	Gain or loss on reissuance of treasury shares S\$'000	Total other reserves S\$'000
2020								
Balance at 1 January 2020	91,071	98,021	(11,739)	4,602	827	124	(764)	187
Loss for 2020	3,561	-	-	3,561	-	-	-	-
Other comprehensive Income for the year, net of tax								
Fair value gain in financial assets measured at fair value through other comprehensive income ("FVOCI")	71	-	-	-	-	71	-	71
Total comprehensive income	3,632	-	-	3,561	-	71	-	71
Contributions by and distribution to owners								
Grant of equity-settled share options to employees	365	-	-	-	365	-	-	365
Dividends on ordinary shares	(3,395)	-	-	(3,395)	-	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	(3,030)	-	-	(3,395)	365	-	-	365
Balance at 31 December 2020	91,673	98,021	(11,739)	4,768	1,192	195	(764)	623
2019								
Balance at 1 January 2019	90,156	98,021	(11,739)	4,117	521	-	(764)	(243)
Profit for 2019	3,880	-	-	3,880	-	-	-	-
Other comprehensive Income for the year, net of tax								
Fair value gain in financial assets measured at fair value through other comprehensive income ("FVOCI")	124	-	-	-	-	124	-	124
Total comprehensive income	4,004	-	-	3,880	-	124	-	124
Contributions by and distribution to owners								
Grant of equity-settled share options to employees	306	-	-	-	306	-	-	306
Dividends on ordinary shares	(3,395)	-	-	(3,395)	-	-	-	-
Total contributions by and distributions to owners, representing total transactions with owners in their capacity as owners	(3,089)	-	-	(3,395)	306	-	-	306
Balance at 31 December 2019	91,071	98,021	(11,739)	4,602	827	124	(764)	187

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2020 and 31 December 2019 is 246,656,428.

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

	As at 31/12/2020	As at 31/12/2019
Options granted under the InnoTek Employees' Share Option Scheme II **	<u>10,000,000</u>	<u>10,000,000</u>
	<u>10,000,000</u>	<u>10,000,000</u>

** 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. All offers were announced in SGX. On 13 January 2021, Mr. Lou exercised 2 million share options granted to him on 19 January 2016 at an option price of S\$0.185.

(b) Treasury Shares

	No of shares '000	S\$'000
Balance as at 31 December 2020 and 31 December 2019	<u>20,351</u>	<u>11,739</u>

1(d)(iii) To show the total number of issued shares excluding Treasury Shares as at the end of the current financial period and as at the end of the corresponding period of the immediately preceding financial year.

	As at 31/12/2020		As at 31/12/2019	
	No of shares '000	S\$'000	No of shares '000	S\$'000
Total number of issued shares at the end of period	246,656	98,021	246,656	98,021
Number of Treasury Shares at the end of period	<u>(20,351)</u>	<u>(11,739)</u>	<u>(20,351)</u>	<u>(11,739)</u>
Net number of issued shares at the end of period	<u>226,305</u>	<u>86,282</u>	<u>226,305</u>	<u>86,282</u>

1(d)(iv) A statement showing all sales, transfer, cancellation and/or use of Treasury Shares as at the end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of Treasury Shares as at the end of the current financial period.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the current financial period reported on.

There were no sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period.

2. Whether the figures have been audited, or reviewed and in accordance with the standard (e.g. The Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by auditors.

3. Whether the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

The figures have not been audited or reviewed by auditors.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-
(a) Updates on the efforts taken to resolve outstanding audit issues (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern

There were no adverse opinion, qualified opinion or disclaimer of opinion.

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

There are no changes in the accounting policies and method of computation.

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

Earning per ordinary share of the Group based on net earnings attributable to the shareholders of the Company :	Second Half Ended 31 December		12 Months Ended 31 December	
	2020	2019	2020	2019
(a) Based on the weighted average number of shares (in cents)				
Earning per share	4.48	3.95	6.13	7.36
Weighted average number of shares ('000)	226,305	226,305	226,305	226,305
(b) On a fully diluted basis (in cents)				
Earning per share	4.44	3.91	6.08	7.30
Adjusted weighted average number of shares ('000)	228,273	228,196	227,977	228,347

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-20	As at 31-Dec-19	As at 31-Dec-20	As at 31-Dec-19
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	78.6 cents	71.1 cents	40.5 cents	40.2 cents

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group business. The review must discuss any significant factors that affected the turnover costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital assets or liabilities of the Group during the current financial period reported on

(A) Review for the Second Half year ended 31 December 2020 (2H'20)

Turnover (2H'20 vs 2H'19)

The Group's revenue for the July-to-December 2020 half year ("2H'20") increased S\$6.1 million or 6.3% to S\$103.5 million from S\$97.4 million in 2H'19. The higher revenue was mainly due to:

- (1) Higher revenue for TV and Display products mainly due to higher demand for larger-sized TV bezels on the back of increased demand for home entertainment as a result of enforced home staying and shut-down of sport and entertainment facilities due to COVID-19 related restrictions across the globe.
- (2) Higher revenue for Auto products in line with the increase in automotive sales in China. Aggressive lockdowns to contain the COVID-19 hit the auto industry hard in the first half of 2020 but sales have since rebounded as China brought the domestic outbreak under control. There are also clear indications of growing usage in China of new energy vehicles (including all-electric and hybrids). According to the China association of Automobile Manufacturer, China domestic sales of such new energy vehicles grew 10.9% from a year ago amid a post-pandemic economic recovery. The overall automotive sales in China for 2020 was 25.31 million units which was only 1.9% lower than 2019.
- (3) Increase in revenue was offset by decreased revenue from Office Automation ("OA") products mainly due to reduction in global demand as a result of the global economic slowdown caused by the COVID-19 pandemic.

Net Profit (2H'20 vs 2H'19)

The Group 2H'20 profit was S\$10.1 million, an increase of S\$1.2 million compared to 2H'19 mainly due to:

Favourable variance

- (a) Gross profit ("GP") margin increased from S\$20.8 million in 2H'19 to S\$27.9 million mainly due to lower material ratio for certain products, production contracting incentive scheme and reduce outsourcing by increasing in-house production. Increase in sales and social security and utilities expenses subsidies granted by PRC government due to COVID-19 also contribute to the better GP margin but was offset by higher rental cost reflected under depreciation of right-of-use assets under SFRS(I)16 Lease accounting treatment (refer to Note 1(a)(i)(e)).
- (b) Lower general and administrative expenses mainly from reduction of social security and utilities expense from government subsidies for COVID-19, lower local and overseas travelling expense amid COVID-19 pandemic and reversal of bonus over-provision.
- (c) Higher gain from InnoTek investment portfolio (Refer to Note 1(a)(i) (c))
- (d) Reversal of impairment loss relating to a PRC subsidiary leasehold building. (Refer to Note 1(a)(i)(j)).

Offset by unfavourable variance

- (e) Exchange loss of S\$2.8 million in 2H'20 compared to exchange gain of S\$0.6 million in 2H'19 due to the weakening of HK\$ and US\$ vs RMB for HK\$ and US\$ intercompany receivables from and RMB intercompany payable by HK subsidiaries. Besides the exchange loss was also due to the weakening of US\$ against the S\$ for InnoTek US\$ fixed deposit. (Refer to Note 1(a)(i) (g)).
- (f) Higher finance cost mainly due to interest on operating lease liabilities under SFRS(I)16 Lease accounting treatment (Refer to Note 1(a)(i)(e)).
- (g) Higher tax expense (Refer to Note 1(a) (i) (d))

(B) Review for the 12 months ended 31 December 2020 (12M'20)

Turnover (12M'20 vs 12M'19)

The Group's revenue for the January-to-December 2020 period ("12M'20") decreased slightly by S\$3.5 million or 1.9% to S\$183.2 million from S\$186.7 million in 12M'19, mainly due to the reduction of revenue of OA products, offset by the increase in revenue for TV and display and Auto products.

In line with the recovery of the Chinese auto industry post COVID-19 pandemic, demand for auto products increased in 2H'20 compared to 1H'20. However, demand for OA products remains weak despite higher revenue in 2H'20 compared to 1H'20. Demand for TV and display products continued to be strong in 2H'20, as earlier explained in in section (A) above. As a result, net overall FY20 revenue for the three businesses was slightly lower compared to FY19.

Net Profit (12M'20 vs 12M'19)

The InnoTek Group recorded a profit of S\$13.9 million for 12M'20, lower by S\$2.8 million from the profit of S\$16.7 million in 12M'19, due mainly to:

Unfavourable variance

- (a) Exchange loss of S\$2.3 million in FY20 compared to an exchange gain of S\$0.7 million in FY19. (Refer to Note 1(a)(i)(g)).
- (b) Higher finance cost mainly due to interest on operating lease liabilities under SFRS(I)16 Lease accounting treatment (Refer to Note 1(a)(i)(e))
- (c) Income tax expense of S\$5.4 million in FY20, higher by S\$2.7 million compared to FY19. (Refer to Note 1(a)(i)(d))
- (d) Loss from InnoTek Investment Portfolio of S\$0.4 million in FY20 compared to a gain of S\$1.1 million in FY19. (Refer to Note 1(d) (i) (c))

Offset by favorable variance

- (e) Despite lower sales, gross profit ("GP") in FY20 was S\$45.0 million, S\$4.2 million higher than S\$40.8 million in FY19 due mainly to lower material ratio , production contracting incentive scheme and reduce outsourcing by increasing in-house plating services , and social security and utilities expense subsidies from government for COVID-19 pandemic but was offset by higher rental cost reflected under depreciation of right-of-use assets under SFRS(I)16 Lease accounting treatment (refer to Note 1(a)(i)(e)).
- (f) Lower general and administrative expenses mainly from reduction of social security expense from government subsidies for COVID-19, lower local and overseas travelling expense amid COVID-19 pandemic and lower bonus provision.
- (g) Write-back of impairment loss relating to the Suzhou plant leasehold building. (Refer to Note 1(a)(i)(j)).

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 significant trends and 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 COVID-19 outbreak at the beginning of 2020 had impacted the Group's 1H'20 financial performance. For 2H'20, the Group's end customers in Europe, United States and Japan were still affected by COVID-19. However, due to the recovery of China's auto market and increase in demand for TV/Display products which was lifted by stay-at-home restrictions amid the pandemic. Together with team efforts of the Group's employees to overcome difficulties, the Group's 2H'20 performance has improved compared to 1H'20.

China's economy is expected to continue to recover in 2021 in line with its ability to control COVID-19. However countries outside China have not effectively controlled the pandemic to date. Hence, the global economy is expected to continue to be unfavourable in 2021, affecting the global supply chain. Due to ongoing supply chain issues, the Group expects prices for raw materials to rise, while delays or disruptions in import and export are expected to translate into higher logistics-related costs.

Despite the decrease in demand for OA products in 2020, the Group looks forward to market recovery in 2021, and will remain committed to improving Quality, Cost, Delivery and Services ("QCDS") to ensure continual trust from customers. We will also seek to move up the value chain from single-part manufacturing to offer parts assembly.

The Group expects its Auto segment – the main revenue contributor - to continue growing in view of domestic demand in the world's largest car market. This sector is undergoing major changes which include a shift towards electric vehicles, increased digitalization and charging stations. The China Automobile Manufacturers Association has forecast that China's car sales are expected to increase by up to 4% year-on-year to exceed 26 million units in 2021. In particular, 1.8 million new energy vehicles, representing a 40% increase y-o-y, are expected to be added to the market this year. The Group will intensify focus on the Auto business in 2021. We will continue to find new customers while deepening our relationships with current ones as they adapt to the changing operating environment.

For the TV/Display products business, the Group expects the demand in 2020 brought about by stay-at-home restrictions amid the pandemic to weaken in 2021. It will continue to work closely with customers to support their TV bezel requirements and will actively serve and develop new customers, domestically and globally.

Our Thailand factory commenced commercial production in 2020 but production volume has been affected by decrease in global demand for OA products due to the pandemic. Besides OA, it also plans to develop and support automotive customers in Thailand.

Anticipating volatility in the coming months, the Group will continue to implement cost control measures and invest in production automation to remain competitive in the face of rising operational costs in China. As domestic competition remains intense, the Group continues to improve quality, service excellence while striving to move up the value chain. The Group is also looking to expand its customer base, both domestically and overseas, and to diversify its range of products.

11. Dividend

(a) Current Financial period Reported On

Any dividend declared for the present financial period? Yes

Name of dividend	Final One-Tier Tax Exempt Dividend
Dividend Type	Cash
Dividend rate (cents per ordinary share)	2.0 cent
Tax rate	NIL

(b) Corresponding period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	Final One-Tier Tax Exempt Dividend
Dividend Type	Cash
Dividend rate (cents per ordinary share)	1.5 cent
Tax rate	NIL

(c) Date payable

Date payable for the proposed final dividend to be announced at a later date.

(d) Books closing date

Books closing date for proposed final dividend to be announced at a later date.

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

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 in the format as required in Rule 907

Interested parties transactions for the 12 months ended 31 December 2020

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u>) S\$	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Dongguan Konka Mould Plastic Co., Ltd	758,175	N/A
All Brilliant Ltd	32,549	NA
Anhui KM Technology	22,967	N/A
Wuhan Grand Mould Plastic Co. Ltd	802,813	N/A

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

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not required as this is announcement for full year.

15. 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.

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

- 16. 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 Figures S\$'000)

	Mansfield								Corporate and Others		Elimination		Per consolidated financial statements	
	Precision Components and Tooling		Precision Machining		Adjustments and eliminations		Total							
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Business Segments														
Revenue														
External customers	127,689	142,308	55,503	44,413	-	-	183,192	186,721	-	-	-	-	183,192	186,721
Inter-segment	44,260	68,449	27,157	14,142	(71,417)	(82,591)	-	-	-	-	-	-	-	-
Total Revenue	171,949	210,757	82,660	58,555	(71,417)	(82,591)	183,192	186,721	-	-	-	-	183,192	186,721
Results														
External interest income	658	720	15	7	-	-	673	727	587	447	-	-	1,260	1,174
Inter-segment interest income	0	-	-	-	-	-	-	-	248	742	(248)	(742)	-	-
Inter-segment interest expense	(248)	(742)	-	-	-	-	(248)	(742)	-	-	248	742	-	-
Depreciation and amortisation	(7,443)	(3,365)	(2,951)	(2,455)	-	-	(10,394)	(5,820)	(53)	(52)	-	-	(10,447)	(5,872)
Net Fair value (loss)/gain on investment property	(390)	(304)	59	-	-	-	(331)	(304)	-	-	-	-	(331)	(304)
Dividend income from other investments	0	-	-	-	-	-	-	-	148	163	-	-	148	163
Gain/(loss) on disposal of PPE	138	45	(3)	(2)	-	-	135	43	-	-	-	-	135	43
Foreign currency (loss)/gain	(861)	425	(723)	51	-	-	(1,584)	476	(688)	234	-	-	(2,272)	710
Reversal of impairment loss on PPE	1,003	149	-	-	-	-	1,003	149	-	-	-	-	1,003	149
Rental income	888	1,305	1,546	1,629	-	-	2,434	2,934	-	-	-	-	2,434	2,934
Share of joint venture profit	16	3	-	-	-	-	16	3	-	-	-	-	16	3
Finance cost	(2,333)	(162)	(95)	-	-	-	(2,428)	(162)	(1)	(2)	-	-	(2,429)	(164)
Other non cash expenses	47	297	(500)	(392)	-	-	(453)	(95)	(1,437)	263	-	-	(1,890)	168
Inter-segment dividend income	-	-	-	-	-	-	-	-	5,845	3,721	(5,845)	(3,721)	-	-
Segment profit before tax	6,389	7,890	15,422	11,205	-	-	21,811	19,095	3,258	3,981	(5,845)	(3,721)	19,224	19,355
Income tax credit/(expense)	717	(837)	(6,040)	(1,759)	-	-	(5,323)	(2,596)	(33)	(101)	-	-	(5,356)	(2,697)
Assets														
Investment in joint venture	1,645	1,519	-	-	-	-	1,645	1,519	-	-	-	-	1,645	1,519
Additions to non-current assets	1,753	2,257	845	43	-	-	2,598	2,300	1	-	-	-	2,599	2,300
Segment assets	156,961	161,507	67,880	56,920	-	-	224,841	218,427	40,924	26,087	-	-	265,765	244,514
Liabilities	71,906	73,444	14,758	8,747	-	-	86,664	82,191	1,155	1,411	-	-	87,819	83,602

Segment Results (Cont'd)

By Geographical Location (Group Figures S\$'000)

	Revenue		Non-current Assets	
	2020	2019	2020	2019
Hong Kong/PRC	179,790	184,348	80,932	79,670
Thailand	3,402	2,373	5,421	5,730
Singapore	-	-	14	66
Total	183,192	186,721	86,367	85,466

Non-current assets consist of property, plant and equipment (PPE), right-of-use assets, investment properties, intangible assets, investment in joint venture, deposit paid for PPE and non-current other receivables as presented in the balance sheet.

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

Not material changes in contributions to turnover and earnings by the business or geographical segments

18. A breakdown of sales

	Latest Period S\$'000	Previous Period S\$'000	% increase/ (decrease)
(a) Sales reported for first half year	79,705	89,327	(10.8)
(b) Profit after tax before minority interest reported for first half year	3,734	7,728	(51.7)
(c) Sales reported for second half year	103,487	97,394	6.3
(d) Profit after tax before minority interest reported for second half year	10,134	8,930	13.5

19. 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 dividend	3,395	3,395

20. 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	67	Brother of Mr. Lou Yiliang, Executive Director and CEO of the Company	Director of Mansfield Manufacturing Co. Ltd, Hong Kong, a wholly-owned subsidiary of the Company, since 16/12/2015	No change

Signed by Neal Manilal Chandaria, Chairman and Lou Yiliang, Chief Executive Officer

BY ORDER OF THE BOARD

Lou Yiliang
Chief Executive Officer
25 February 2021

