

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the Third Quarter ended 30 September 2017

[illegible]

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	
		2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
(a) Included in cost of sales are :					
- Inventories recognised as an expense in cost of sales		(22,787)	(20,750)	(63,417)	(62,201)
- (Allowance) / write-back for inventory obsolescence		(132)	(5)	71	114
- Depreciation of property, plant and equipment ("PPE")	1(a)(i)(d)	(858)	(1,028)	(2,827)	(3,522)
- Wages and salaries	1(a)(i)(e)	(9,644)	(10,701)	(28,464)	(34,210)
(b) Included in administrative expenses are :					
- Depreciation of PPE		(367)	(350)	(1,038)	(969)
- Amortisation of prepaid land lease payments		(15)	(21)	(56)	(66)
- Amortisation of intangible assets		(22)	(43)	(66)	(185)
- Wages and salaries	1(a)(i)(f)	(2,452)	(3,116)	(8,395)	(8,645)
(c) Included in other expenses and other items of income are :					
- Items related to Investment Portfolio					
Gain/(loss) on disposal of held for trading investments	1(a)(i)(g)	6	8	(16)	(20)
Net fair value (loss) /gain on held for trading investments	1(a)(i)(h)	(41)	125	(301)	(357)
Dividend income from investment equities	1(a)(i)(i)	35	14	141	113
Interest income from investment bonds	1(a)(i)(i)	105	96	308	185
Foreign currency gain/(loss) - realised forward contract		50	(22)	116	85
Gain/(loss) on derivative (unrealised)	1(a)(i)(j)	27	(68)	191	(64)
		<u>182</u>	<u>153</u>	<u>439</u>	<u>(58)</u>
- Foreign currency (loss) /gain - others	1(a)(i)(k)	(393)	163	(1,287)	(820)
- Write-back /(allowance) for doubtful debts - net	1(a)(i)(l)	54	(345)	181	(131)
- Property rental income	1(a)(i)(m)	611	390	1,475	1,065
- Gain on disposal of PPE		11	81	34	227

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

- (d) Depreciation was lower in 9M'17 (9 months ended September 2017) than 9M'16 due mainly to lesser PPE addition and disposal of old PPE in 2016.
- (e) 9M'17 wages and salaries were lower mainly due to a decrease in direct and indirect labour headcount and overtime expense. (Headcount: September 2017 = 2,572, September 2016 = 3,014). Included in the 9M'17 wages and salaries were S\$1.1 million of retrenchment cost (9M'16: S\$1.6 million) relating to direct/Indirect labour.
- (f) 9M'17 administrative wages and salaries were lower even though there is higher provision for bonus compared to 9M'16. This was offset by lower administrative headcount (Headcount: September 2017 = 283, September 2016 = 301). Included in 9M'17 administrative wages and salaries were S\$0.3 million of retrenchment cost (9M'16: S\$0.6 million).
- (g) This relates to gain/(loss) on disposal of investment securities under investment portfolio managed by an investment bank.
- (h) This relates to fair value gain/(loss) from investment securities under investment portfolio managed by an investment bank.
- (i) This relates to the dividend from equities and bonds under the investment portfolio managed by an investment bank.
- (j) This relates to unrealised fair value gain on forward contracts under an investment portfolio managed by an investment bank.
- (k) The foreign currency loss in 9M'17 was mainly due to the weakening of Hong Kong Dollar ("HK\$") against Chinese Renminbi ("RMB") in 9M'17 (mainly from HK\$ intercompany receivable from and RMB intercompany payable by HK subsidiaries). For 9M'16 foreign currency loss was mainly due to the weakening of the HK\$ against Singapore Dollar ("S\$") from the S\$ loans extended to Mansfield Manufacturing Co. Ltd. Effective 1 July 2016, these S\$ loans had been converted to a long-term HK\$ loan. Under FRS 21, exchange rate differences arising from such long-term loan that forms part of InnoTek's net investment in a foreign operation shall be recognised initially in other comprehensive income (part of shareholder's equity reserve) in the consolidated financial statements and reclassified from equity to profit or loss on disposal of the net investment.
- (l) Relates mostly to write-back of provision made in prior years by a subsidiary for debts recovered in Q3'17.
- (m) These relate to the investment properties from Magix Mechatronics (Dongguan) Co. Ltd and Mansfield (Suzhou) Manufacturing Co. Ltd. which rented out 2 unused buildings commencing in April 2017 and August 2017, respectively (Note 1(b)(i)(B)).
- (n) Higher tax expense mainly from profit making subsidiary Magix Mechatronics (Dongguan) Co. Ltd which have fully utilised the carried forward losses in 9M'17 whereas there was carried forward losses to offset in 9M'16.

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

Balance Sheets (Unaudited)

		Group		Company	
		As at 30-Sep-17	As at 31-Dec-16	As at 30-Sep-17	As at 31-Dec-16
	Note	S\$'000	S\$'000	S\$'000	S\$'000
Non-current Assets					
Property, plant and equipment	A & B	26,384	36,467	3	10
Investment property	B	24,971	16,919	-	-
Prepaid land lease payment		1,863	3,383	-	-
Intangible assets		141	144	15	26
Investment in subsidiary		-	-	47,061	47,061
Investment in joint venture	C	1,542	1,521	-	-
Loan to subsidiary		-	-	23,965	25,702
Deposit paid for purchases of property, plant and equipment	I	565	572	-	-
Other receivables	D	1,403	1,431	-	-
Deferred tax assets		2,294	3,265	-	-
		59,163	63,702	71,044	72,799
Current Assets					
Inventories		23,779	23,759	-	-
Trade and other receivables		68,759	63,559	4,044	3,310
Tax recoverables		13	58	-	-
Prepayments		716	821	59	66
Held for trading financial assets	E	15,404	15,332	15,404	15,332
Derivatives	F	42	20	42	20
Cash and short-term deposit	G	31,959	30,090	2,175	4,576
		140,672	133,639	21,724	23,304
Total Assets		199,835	197,341	92,768	96,103
Current Liabilities					
Finance lease	1(b)(ii)	23	23	-	-
Trade and other payables		63,368	66,272	613	683
Provisions	H	178	135	-	-
Derivatives	F	21	190	21	190
Tax payable		4,685	2,944	58	1
		68,275	69,564	692	874
Net Current Assets		72,397	64,075	21,032	22,430
Non-current Liabilities					
Provision	H	523	693	-	-
Finance lease		32	50	-	-
Deferred tax liabilities		2,172	2,214	318	318
		2,727	2,957	318	318
Total Liabilities		71,002	72,521	1,010	1,192
Net Assets		128,833	124,820	91,758	94,911
Share capital		98,021	98,021	98,021	98,021
Treasury shares		(12,997)	(13,164)	(12,997)	(13,164)
Retained earnings		46,204	40,251	6,315	9,785
Other reserves		(2,395)	(288)	419	269
Total Equity		128,833	124,820	91,758	94,911

Notes to Group Balance Sheet

- A The decrease was mainly due to cost of the leasehold building being reclassified to investment to investment property. (Please refer to Note B).
- B The increase was due to one of the subsidiaries renting out one of the blocks with total area of 7,700 square metre for 10 years commencing 1 April 2017. The cost of the leasehold building was reclassified to investment property during Q2'17. Another block with total area of 17,129 square metre was rented out for 5 years commencing 1 August 2017.
- C This relates to the joint venture ("JV") of the Group's wholly-owned subsidiary, Mansfield Manufacturing Company Limited ("Mansfield"), together with Shenzhen Konka Precision Mould Manufactory Co. Ltd. Anhui KM Technology Co. Ltd which was incorporated with a registered share capital of RMB20 million in which Mansfield holds a 49%-stake. The Group recognised its share of the profit of S\$52,000 from the JV in 9M'17.
- D These are mainly long-term rental and utilities deposit for China 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.
- F These derivatives are the unrealised fair value gains or losses from forward contracts under the portfolio investment.
- G The increase in cash and bank balances in 9M'17 was mainly due to positive cash generated from operations offset by payment of dividend in May 2017
- H This comprises mainly of provisions for long-service payment.
- I On 12 April 2017, the Company announced the incorporation of a Thailand subsidiary, Mansfield (Thailand) Co. Ltd. with an initial registered capital of 5 million Baht. It subsequently announced on 18 July 2017 an increase of additional registered capital of 45 million Baht. Total paid-up capital as of date of announcement was 12.7 million Baht. The paid-up capital was mainly used for first down-payment deposit of 5.2 million Baht (S\$0.2 million) for purchase of a parcel of freehold land in the Amata City Industrial Park, Rayong, to build a factory and for initial working capital. The paid-up capital was subsequently increased by another 34.6 million Baht to cater for subsequent payments for the land and for construction of the plant. This was announced on the 13 October 2017. The Thailand subsidiary targets to manufacture products in 2018 to support a major customer who has relocated production of new components from China to Thailand.

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

	As at 30-Sep-17 S\$'000	As at 31-Dec-16 S\$'000
Amount repayable in one year or less, on demand		
- Secured	23	23
- Unsecured	-	-
	23	23
Amount repayable after one year		
- Secured	32	50
- Unsecured	-	-
	32	50
Total	55	73

Details of any collateral

Total borrowings as at 30 September 2017 amounted to S\$0.1 million from lease financing (31 December 2016: S\$0.1 million).

1(c) **A cash flow statement (for the Group) , together with a comparative statement for the corresponding period of the immediately preceding financial year**

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)					
GROUP	Note	Quarter Ended 30-Sep		9 Months Ended 30-Sep	
		2017	2016	2017	2016
		S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities :					
Profit before tax		5,873	5,314	10,526	7,620
Adjustment items	I	970	2,937	657	222
Operating cash flows before changes in working capital		6,843	8,251	11,183	7,842
Working capital changes , excluding changes relating to cash		(6,074)	(4,590)	(7,661)	(4,413)
Cash flows generated from operations		769	3,661	3,522	3,429
Net interest and income tax paid		28	(214)	(405)	(497)
Net cash flows generated from operating activities		797	3,447	3,117	2,932
Cash flows from investing activities :					
Purchase of property, plant and equipment		(427)	(832)	(1,669)	(1,338)
Deposit (paid) / refund for property, plant and equipment		(171)	(208)	6	(440)
Proceeds from sale of PPE		54	89	80	271
Purchase of intangible software		(66)	-	(66)	-
Proceeds from sale of investment securities		2,024	4,577	5,978	19,307
Acquisition of investment securities under portfolio management		(1,662)	(9,643)	(6,388)	(19,851)
Dividend from investment securities		35	14	141	113
Investment in joint venture		-	-	-	(507)
Decrease in deposit of an investment portfolio account		233	5,053	740	281
Decrease in pledged time deposits		-	(616)	-	(321)
Effect of exchange rate changes	J	19	(347)	1,290	4,018
Net cash flows generated from / (used in) investing activities		39	(1,913)	112	1,533
Cash flows from financing activities :					
Proceeds from re-issuance of treasury shares		-	-	81	-
Decrease in short term financing		-	(2,849)	-	(5,454)
Repayment of finance lease		(6)	-	(17)	-
Dividend paid to ordinary shareholder		-	-	(1,119)	-
Effect of exchange rate changes		-	56	-	166
Net cash flows used in financing activities		(6)	(2,793)	(1,055)	(5,288)
Net change in cash and cash equivalents		830	(1,259)	2,174	(823)
Effect of exchange rate changes on cash and cash equivalents		140	(151)	435	59
Cash and cash equivalents as at beginning of period		30,699	23,429	29,060	22,783
Cash and cash equivalents as at end of period	K	31,669	22,019	31,669	22,019

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	
		2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Depreciation of property, plant and equipment		1,225	1,378	3,865	4,491
Amortisation of intangible assets		22	43	66	185
Amortisation of prepaid land lease payments		15	21	56	66
Gain on disposal of PPE and intangible assets		(11)	(81)	(34)	(227)
(Gain) / loss on disposal of held for trading investments	1(a)(i)(g)	(6)	(8)	16	20
Share option expense		83	35	236	71
(Write-back) / allowance for doubtful debts		(54)	345	(181)	131
Net fair value loss / (gain) on held for trading investments	1(a)(i)(h)	41	(125)	301	357
Net fair value (gain)/loss for derivatives	1(a)(i)(j)	(27)	68	(191)	64
Interest expense		-	7	1	90
Interest income		(148)	(143)	(425)	(277)
Allowance/ (write-back) of inventory obsolescence		132	5	(71)	(114)
Effect of exchange rate changes		(158)	964	(2,686)	(5,000)
Share of results of joint venture		(4)	8	(52)	(5)
(Reversal) / provision for severance benefits and restructuring expenses		(105)	434	(103)	483
Dividend income from investment securities		(35)	(14)	(141)	(113)
Total		970	2,937	657	222

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

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

GROUP	As at 30 September	
	2017 S\$'000	2016 S\$'000
Cash and bank balances	30,237	18,989
Cash and bank balance under portfolio investment management	290	809
Fixed deposits	1,432	4,659
Total cash and bank balance per balance sheet	31,959	24,457
Less : Cash and bank balance under portfolio investment management	(290)	(809)
Less: Pledged fixed deposit and restricted cash	-	(1,629)
Cash and cash equivalents at end of period	31,669	22,019 *

* The increase in cash and cash equivalents from 30 September 2016 to 30 September 2017 was mainly due to positive cash generated from operations offset by payment of dividend in May 2017.

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

Statement of changes in equity

GROUP	Attributable to owners of the Company							Equity attributable to owners of the Company, total Non-controlling interest Total equity		
	Share capital	Treasury shares	Retained earnings	Foreign currency translation reserve	Share option reserve	Gain or loss on reissuance of treasury shares	Total other reserve			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2017										
Balance at 1 January 2017	98,021	(13,164)	40,251	(557)	269	-	(288)	124,820	-	124,820
Profit for 1H'17	-	-	3,081	-	-	-	-	3,081	-	3,081
Other comprehensive income										
Foreign currency translation	-	-	-	(2,218)	-	-	(2,218)	(2,218)	-	(2,218)
Other comprehensive income	-	-	-	(2,218)	-	-	(2,218)	(2,218)	-	(2,218)
Total comprehensive Income	-	-	3,081	(2,218)	-	-	(2,218)	863	-	863
Contribution by and distribution to owners										
Treasury Shares reissued pursuant to employee share options plans	-	167	-	-	(17)	(69)	(86)	81	-	81
Share option expense	-	-	-	-	153	-	153	153	-	153
Dividends on ordinary shares	-	-	(1,119)	-	-	-	-	(1,119)	-	(1,119)
Total contribution by and distribution to owners	-	167	(1,119)	-	136	(69)	67	(885)	-	(885)
Balance at 30 June 2017	98,021	(12,997)	42,213	(2,775)	405	(69)	(2,439)	124,798	-	124,798
Profit for Q3'17	-	-	3,991	-	-	-	-	3,991	-	3,991
Other comprehensive income										
Foreign currency translation	-	-	-	(39)	-	-	(39)	(39)	-	(39)
Other comprehensive income	-	-	-	(39)	-	-	(39)	(39)	-	(39)
Total comprehensive income	-	-	3,991	(39)	-	-	(39)	3,952	-	3,952
Contribution by and distribution to owners										
Share option expense	-	-	-	-	83	-	83	83	-	83
Total contribution by and distribution to owners	-	-	-	-	83	-	83	83	-	83
Balance at 30 September 2017	98,021	(12,997)	46,204	(2,814)	488	(69)	(2,395)	128,833	-	128,833

Statement of changes in equity (Cont'd)

GROUP	Attributable to owners of the Company							Equity attributable to owners of the Company, Non-controlling Interest, Total Equity		
	Share Capital S\$'000	Treasury Shares S\$'000	Retained earnings S\$'000	Foreign Currency Translation Reserve S\$'000	Share Option Reserve S\$'000	Gain or loss on reissuance of treasury shares S\$'000	Total other Reserve S\$'000	Company, total S\$'000	Non-controlling Interest S\$'000	Total Equity S\$'000
Balance at 1 January 2016	98,021	(13,164)	28,655	2,639	75	-	2,714	116,226	-	116,226
Profit for 1H'16	-	-	1,795	-	-	-	-	1,795	-	1,795
Other comprehensive income										
Foreign currency translation	-	-	-	(5,437)	-	-	(5,437)	(5,437)	-	(5,437)
Total comprehensive income	-	-	1,795	(5,437)	-	-	(5,437)	(3,642)	-	(3,642)
Contribution by and distribution to owners										
Share option expense	-	-	-	-	36	-	-	-	-	-
Total contribution by and distribution to owners	-	-	-	-	36	-	-	-	-	-
Balance at 30 June 2016	98,021	(13,164)	30,450	(2,798)	111	-	(2,723)	112,584	-	112,584
Profit for Q3'16	-	-	5,017	-	-	-	-	5,017	-	5,017
Other comprehensive income										
Foreign currency translation	-	-	-	788	-	-	788	788	-	788
Total comprehensive income	-	-	5,017	788	-	-	788	5,805	-	5,805
Contribution by and distribution to owners										
Share option expense	-	-	-	-	35	-	35	35	-	35
Total contribution by and distribution to owners	-	-	-	-	35	-	35	35	-	35
Balance at 30 September 2016	98,021	(13,164)	35,467	(2,010)	146	-	(1,900)	118,424	-	118,424

Statement of changes in equity (Cont'd)

	Attributable to owners of the Company						
COMPANY	Share 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	Total equity S\$'000
2017							
Balance at 1 January 2017	98,021	(13,164)	9,785	269	-	269	94,911
Loss for 1H'17	-	-	(1,906)	-	-	-	(1,906)
Total comprehensive income	-	-	(1,906)	-	-	-	(1,906)
<u>Contributions by and distribution to owners</u>							
Treasury shares reissued pursuant to employee share option plans	-	167	-	(17)	(69)	(86)	81
Share option expense	-	-	-	153	-	153	153
Dividends on ordinary shares	-	-	(1,119)	-	-	-	(1,119)
Total transactions with owners in their capacity as owners	-	167	(1,119)	136	(69)	67	(885)
Balance at 30 June 2017	98,021	(12,997)	6,760	405	(69)	336	92,120
Loss for Q3'17	-	-	(445)	-	-	-	(445)
Total comprehensive income	-	-	(445)	-	-	-	(445)
<u>Contributions by and distribution to owners</u>							
Share option expense	-	-	-	83	-	83	83
Dividends on ordinary shares	-	-	-	-	-	-	-
Total contributions and distribution to owners	-	-	-	83	-	83	83
Balance at 30 September 2017	98,021	(12,997)	6,315	488	(69)	419	91,758
2016							
Balance at 1 January 2016	98,021	(13,164)	9,098	75	-	75	94,030
Loss for 1H'16	-	-	(1,204)	-	-	-	(1,204)
Total comprehensive income	-	-	(1,204)	-	-	-	(1,204)
<u>Contributions by and distribution to owners</u>							
Share option expense	-	-	-	36	-	36	36
Total transactions with owners in their capacity as owners	-	-	-	36	-	36	36
Balance at 30 June 2016	98,021	(13,164)	7,894	111	-	111	92,862
Profit for Q3'16	-	-	290	-	-	-	290
Total comprehensive income	-	-	290	-	-	-	290
<u>Contributions by and distribution to owners</u>							
Share option expense	-	-	-	35	-	35	35
Total transactions with owners in their capacity as owners	-	-	-	35	-	35	35
Balance at 30 September 2016	98,021	(13,164)	8,184	146	-	146	93,187

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

(a) Share Capital

Number of ordinary shares as at 30 June 2017 and 30 September 2017 is 246,656,428.

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

	As at 30/9/2017	As at 30/9/2016
Options granted under the InnoTek Employees' Share Option Plan I *	680,000	970,000
Options granted under the InnoTek Employees' Share Option Scheme II **	6,500,000	3,500,000
	<u>7,180,000</u>	<u>4,470,000</u>

* On 23 May 2013, 7,730,000 options were granted to the Group's and the Company's employees under the "InnoTek Employee's Share Option Scheme II" plan which was approved by shareholders at the Extraordinary General Meeting held on 30 April 2008. The option price for the grant was S\$0.28 per share which was based on the average of the last dealt prices for the shares on the SGX-ST over five consecutive Market Days immediately preceding the Date of Grant of Option as determined by the Remuneration Committee. 6,760,000 options had been forfeited since May 2013 due to staff resignation. No options were forfeited in Q2'17 due to staff resignation. 290,000 treasury shares were reissued for share option on the 31 May 2017

** 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 were granted to him on 9 March 2017 at an option price of S\$0.35. 1,500,000 share options were granted to Chief Operating Officer, Mr. Kuang Yubin at an option price of S\$0.156 on 6 June 2016. The option price for the grant was based on the average of the last dealt prices for the shares on the SGX-ST over five consecutive Market Days immediately preceding the Date of the Grant of Option as determined by the Remuneration Committee.

(b) Treasury Shares

	No of shares '000	S\$'000
Balance as at 30 June 2017 and 30 September 2017	22,531	12,997

- 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 30/9/2017		As at 30/9/2016	
	No of shares '000	\$'000	No of shares '000	\$'000
Total number of issued shares at the end of period	246,656	98,021	246,656	98,021
Number of Treasury Shares at the end of period	(22,531)	(12,997) *	(22,821)	(13,164)
Net number of issued shares at the end of period	<u>224,125</u>	<u>85,024</u>	<u>223,835</u>	<u>84,857</u>

* 290,000 treasury shares amounting into S\$167,000 were re-issued pursuant to employee share option plans on 31 May 2017.

- 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.**

	No of shares '000	\$'000
Balance as at 1 January 2017	22,821	13,164
Treasury shares reissued pursuant to employee share option plans	(290)	(167)
Balance as at 30 September 2017	<u>22,531</u>	<u>12,997</u>

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

The figures have not been audited or reviewed by auditors.

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

The figures have not been audited or reviewed by auditors

4. **Whether the same accounting policies and methods of computation as in the issuers most recently audited annual financial statements have been applied**

The same accounting policies and method of computation have been applied to the financial statements as in the most recently audited annual financial statements.

5. **If there are any changes in the accounting policies and method of computation , including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The adoption of new/revised FRS will have no material impact on the financial statements of the Group.

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

	Quarter Ended 30-Sep		9 Months Ended 30-Sep	
	2017	2016	2017	2016
Earning per ordinary share of the Group based on net earnings attributable to the owners of the Company :				
(i) Based on the weighted average number of shares (in cents)				
Earning per share	1.78	2.24	3.16	3.04
Weighted average number of shares ('000)	224,125	223,835	223,966	223,835
(ii) On a fully diluted basis (in cents)				
Earning per share	1.77	2.24	3.13	3.04
Adjusted weighted average number of shares ('000)	225,942	224,011	225,893	223,912

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-17	As at 31-Dec-16	As at 30-Sep-17	As at 31-Dec-16
Net asset value per ordinary share based on the total number of issued share excluding treasury shares as at the end of the period reported on	57.5 cents	55.8 cents *	40.9 cents	42.4 cents

* Increase mainly due to profit generated for 9 months ended 30 September 2017 offset by dividend payment of S\$1.1 million in May 2017.

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

Review for the Quarter ended 30 September 2017 (Q3'17)

	Q3'17 S\$'000	Q3'16 S\$'000	Q3'17 vs Q3'16 S\$'000	Q3'17 vs Q3'16 %
Turnover				
MSF	56,450	55,753	697	1.3
Net profit/(loss) attributable to owners of the Company				
MSF - before exchange rate impact	4,443	4,921	(478)	(9.7)
Exchange (loss) /gain	(350)	109	NM	NM
MSF Group	4,093	5,030	(937)	(18.6)
InnoTek - before exchange rate impact	(58)	(67)	9	13.4
Exchange (loss)/ gain - exclude realised forward contract	(44)	54	NM	NM
InnoTek	(102)	(13)	89	684.6
InnoTek Group - before exchange rate impact	4,385	4,854	(469)	(9.7)
Exchange (loss)/ gain - exclude realised forward contract	(394)	163	NM	NM
Total Innotek Group	3,991	5,017	(1,026)	(20.5)
Basic EPS (cents)	1.78	2.24	(0.46)	(20.5)
NM denotes " Not meaningful"				
EPS denotes " Earning per share"				

Turnover

The Group's revenue for the July-to-September 2017 quarter ("Q3'17") increased by S\$0.7 million or 1.3% to S\$56.5 million from S\$55.8 million in Q3'16.

This was mainly due to:

- (1) Revenue increase from the Precision Machining (previously named Precision subassembly) due mainly to the higher sales from heat sink and TV Bezel programmes in Q3'17 as compared to Q3'16.

This was offset by:

- (2) Revenue decline from the Precision Components segment, due to lower demand for office automation and consumer products. Certain major Japanese customers have also migrated new production programmes from China to plants in South-east Asia. Sales of automotive products were also slightly lower as current programmes are nearing end-of-life while mass production from some newly secured programmes scheduled to start next year. This was offset by an increase in TV sales in Q3'17 compared to Q3'16.

- (3) Tooling sales decreased in Q3'17 compared to Q3'16. There were some delays in deliveries of tooling sales in Q4'17.

Net profit

InnoTek Group recorded a profit of S\$4.0 million in Q3'17, S\$1.0 million lower than Q3'16. The S\$1.0 million decline was due mainly to:

- (1) Mansfield Group ("MSF") recorded a profit of S\$4.1 million, S\$0.9 million lower than Q3'16 due mainly to:
 - a) Higher tax expense of S\$1.6 million mainly from profit-making Magix which has fully utilised the losses carried forward from previous years.
 - b) Exchange loss of S\$0.4 million compared to exchange gain of S\$0.1 million in Q3'16.
 - c) Despite slightly higher revenue, MSF's gross profit ("GP") margin fell to 21.6% in Q3'17 from 21.9% in Q3'16 mainly due to higher mix of TV sales, segments which has a lower GP margin.

This was offset by:

- d) Lower G&A expense. This was mainly due to lower retrenchment cost of S\$0.2 million as well as repair and maintenance expenses.
- (2) InnoTek's loss of S\$0.1 million in Q3'17 as compared to a breakeven in Q3'16 was due to the unrealised exchange losses from HK\$ denominated interest receivable from the Mansfield Manufacturing as the HK\$ weakened against the S\$ in Q3'17.

Review for 9 months ended 30 September 2017 (9M'17)

	9M'17 S\$'000	9M'16 S\$'000	9M'17 vs 9M'16 S\$'000	9M'17 vs 9M'16 %
Turnover				
MSF	156,574	159,352	(2,778)	(1.7)
Net profit/(loss) attributable to owners of the Company				
MSF - before exchange rate impact	8,736	8,534	202	2.4
Exchange loss	(1,049)	(505)	544	107.7
MSF Group	7,687	8,029	(342)	(4.3)
InnoTek - before exchange rate impact	(377)	(987)	(610)	(61.8)
Exchange loss - exclude realised forward contract	(238)	(230)	8	3.5
InnoTek	(615)	(1,217)	(602)	(49.5)
InnoTek Group - before exchange rate impact	8,359	7,547	812	10.8
Exchange loss	(1,287)	(735)	552	75.1
Total Innotek Group	7,072	6,812	260	3.8
Basic EPS (cents)	3.16	3.04	0.12	3.9
NM denotes " Not meaningful"				

Turnover

The Group's revenue for the January-to-September 2017 period ("9M'17") decreased by S\$2.8 million or 1.7% to S\$156.6 million from S\$159.4 million in 9M'16.

The lower revenue was mainly due to:

- (1) Revenue decline from the Precision Components segment, due to lower demand for office automation and consumer products. Certain major Japanese customers have also allocated new production programmes to plants outside of China. In addition, sales for automotive products were lower as current programmes are nearing end-of-life while mass production from some newly secured automotive programmes have not started mass production.

This was offset by:

- (2) Revenue increase from the Precision Machining (previously named as Precision subassembly) due mainly to the higher sales from TV Bezel programmes and heat sinks in 9M'17 as compared to 9M'16.
- (3) Tooling sales increased slightly in 9M'17 compared to 9M'16. The major increase comes from sales to the JV company, Anhui KM Technology Co. Ltd which Mansfield holds 49% stake (See Note 1(b)(i) (C))

Net Profit

InnoTek Group recorded a profit of S\$7.1 million in 9M'17, higher by S\$0.3 million compared to the profit of S\$6.8 million in 9M'16 due mainly to:

- (1) Mansfield Group profit for 9M'17 decreased to S\$7.7 million, S\$0.3 million lower compared to a profit of S\$8.0 million in 9M'16 due mainly to:
 - a) Despite lower revenue, MSF's gross profit margin increased to 18.9% in 9M'17 from 18.0% in 9M'16. This is mainly due to:
 - i) Lower direct /indirect headcount
 - ii) Lower depreciation due to disposal of old PPE in 2016 and lesser addition of new PPE
 - b) Lower administrative expenses attributable to business tax and statutory charges, motor vehicles expense, repair and maintenance, rental expense as well as lower administrative headcount. This was partially offset by higher bonus provision.

This was offset by:

 - c) Higher tax expense of S\$2.6 million mainly from profit making Magix Dongguan as it has fully utilised the carried forward losses from previous years.
- (2) InnoTek's loss in 9M'17 was S\$0.6 million, S\$0.6 million lower compared to a loss of S\$1.2 million in 9M'16 due mainly to:
 - i) Net gain of S\$0.4 million compared to net loss of S\$0.1 million in 9M'16 from the investment securities portfolio managed by an investment bank. (Please refer to 1(a)(i)(c)).

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

Despite competition and margin pressures in the TV segment, the Group registered improved revenue in Q3'17 compared to a year ago mainly from the sale of TV bezels and heat sinks. The Group recorded increased orders for heat sinks, which can be used in both TVs as well as computers. The TV segment accounted for 41% of the Group's revenue in the quarter under review, overtaking the Office Automation ("OA") division as the main revenue contributor. The TV segment has been able to secure new clients and orders for new products including heat sinks due to improvements in quality and adoption of new technological innovations such as automation. This increase in revenue, driven by growing consumer demand for high-definition TV panels requiring thinner and strong bezels is coming at a time when the OA sector is witnessing a transition with some major Japanese customers relocating operations from China to Southeast Asia.

The Group has also set up a new subsidiary in Weihai China, Mansfield Technology (Weihai) Co. Ltd. ("Mansfield Weihai"), to support Hewlett Packard's operations in China, following the electronics giant's US\$1.05 billion acquisition of Samsung's printer business. Mansfield Weihai's activities consist of research and development, design and manufacture of precision metal stamping, tooling, non-metal and assembly products and services. Revenue contribution from Mansfield Weihai is expected to be in 2018.

The OA sector remains challenging for the Group amid increased competition and cost pressures, as several key customers relocate their business and production activities to lower-cost Southeast Asian countries. To mitigate this decline, the Group incorporated Mansfield (Thailand) Co. Ltd. ("Mansfield Thailand") in April 2017. It has since increased its registered share capital to 50 million Baht and paid-up 47.3 million Baht to satisfy partial payment for land purchased in the Amata City (Rayong) Industrial Estate in Thailand, as well as for plant construction and general working capital.

The construction of the Thailand plant is scheduled for completion in the first half of FY2018, with production and revenue contributions expected to commence in the second half of FY2018. Until then, operational activities in Thailand will be supported from Dongguan. Revenue contribution from Mansfield Thailand is expected to gather momentum from FY2019.

According to the China Association of Automobile Manufacturers, automobile production and sales each exceeded 20 million units for the nine months ended 30 September 2017 ("9M'17"), up almost 5% year-on-year. The Group recorded lower sales in its Automotive segment. Current programmes are approaching end-of-life, while newer ones have yet to commence mass production. However the Group remains optimistic about its prospects in this sector. The Group will continue pursuing more Automotive programmes and orders for both car seat moulds and stamping. It also plans to ramp up involvement in the car seat business with an extension into the children's car seat segment as a new revenue stream.

The Group remains cautiously optimistic about its outlook for the rest of FY2017. Increase in raw material may also be a concern and it will continue to focus on streamlining cost efficiencies and new customer acquisitions and product innovations to mitigate challenges in the operating environment, while seeking to launch new OA manufacturing operations in Thailand.

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 2017

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	S\$	
Dongguan Konka Mould Plastic Co., Ltd	284,259	N/A
Anhui KM Technology	1,404,130	N/A
Toyoichi Tsusho Co., Ltd	26,354	N/A
Wuhan Grand Mould Plastic Co. Ltd	471,995	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 2017 to be false or misleading in any material aspects.

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

BY ORDER OF THE BOARD

Lou Yiliang
Chief Executive Officer
14 November 2017