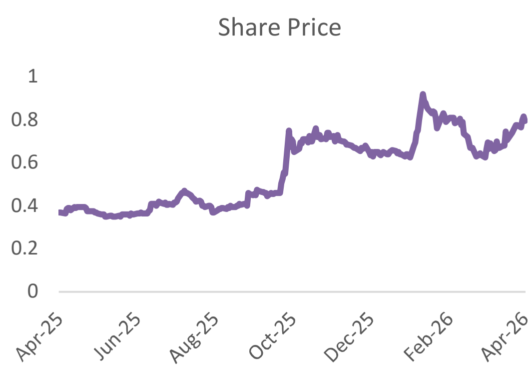
InnoTek Limited

28 April 2026

Initiation (Non-Rated)

BBG	INNOT SP	
Market Cap	S$224.4M	
Price (27 Apr 2026)	S$0.87	
52-week range	S$0.345 – 0.935	
Shares Outstanding	257.9M	
Free Float	57.9%	
Major Shareholder	ADVANTEC Holding	32.33%
	Lou Yiliang	9.63%

Source: Company Data, Bloomberg, SAC Capital



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AI-Powered Metamorphosis

InnoTek Limited is a precision engineering solutions provider specialising in high-volume metal stamping, tooling, and complex manufacturing assembly. Since its incorporation, the Group has established a robust multi-national footprint across Southeast Asia and China, serving as a critical Tier-1 partner for global leaders in the Office Automation, Automotive and consumer electronics industries. FY2025 marked a pivotal transition for the Group as it successfully broke into the high-growth AI infrastructure supply chain, securing a landmark status as a "Recommended Vendor" for NVIDIA and IEIT Systems.

Investment Catalysts: InnoTek's elite Tier-1 evolution is anchored by its status as a "Recommended Vendor" for AI titans NVIDIA and IEIT Systems. This milestone validates its engineering excellence and integrates the Group into the high-performance GPU server supply chain. Having commenced mass production for NVIDIA, InnoTek is successfully pivoting into the high-margin, secular growth sectors in AI infrastructure and Electric Vehicles. This strategic transformation is bolstered by a strong net cash position and a proactive regional diversification strategy, headlined by a major factory expansion slated in 2Q2026. With these catalysts, InnoTek is positioned for meaningful revenue acceleration and margin expansion heading into FY2026.

Financial Highlights: As a result of geopolitical tensions and softer consumer sentiments, InnoTek's revenue dropped 11.8% from S$238.0m to S$209.9m. Consequently, gross profit dropped 21.6% from S$36.4m to S$28.6m with a compressed gross margin of 15.3% in FY2024 to 13.6% in FY2025. Overall, net profit attributable to owners of the Company came in at S$2.0m for FY2025, down from S$5.8m in FY2024. Excluding one-off exceptional item of S$1.6m, adjusted net profit attributable to owners of the company sits at S$3.6m in FY2025. The Group has also amassed a "fortress" balance sheet with a net cash position of S$57.3m as at FY2025 accounting for approximately one-fourth of their market capitalization.

KEY FINANCIAL HIGHLIGHTS

Year ended Dec (S$'m)	FY23	FY24	FY25	1H24	1H25
Revenue	205.6	238.0	209.9	121.6	102.5
EBIT	7.4	7.3	2.8	3.9	0.9
Net profit attributable to owners of the Company	4.7	5.8	2.0	3.2	0.4
EPS (S$ cents)	2.0	2.5	0.9	1.4	0.2
Dividend per share (S$ cents)	2.0	2.0	2.0	2.0	2.0
Net cash	63.3	65.1	57.3	55.9	54.1
Valuation					
Gross profit margin (%)	16.0%	15.3%	13.6%	14.6%	13.6%
Net profit margin (%)	2.3%	2.4%	1.0%	2.6%	0.4%
EV/EBITDA (x)	8.7	8.2	11.2	27.9	58.7
P/E (x)	43.3	34.7	100.0	32.0	241.7
P/B (x)	1.2	1.2	1.2	1.2	1.2
Dividend yield (%)	2%	2%	2%	2%	2%
ROE (%)	2.5%	3.1%	0.9%	1.8%	0.1%

Share Placements: In April 2026, InnoTek Limited successfully raised S$16.0m in gross proceeds through a fully subscribed private placement of approximately 24.6m new shares at S$0.65 per share. The round attracted high-caliber institutional backing from prominent names such as Lion Global Investors, UOB Asset Management and Avanda Investment Management. Concurrently, CEO Lou Yiliang raised S$4.0m via a secondary vendor share sale. This capital injection is strategically earmarked to support the Group's AI pivot, specifically funding new CNC machining capacity in Thailand for GPU server components and liquid-cooling projects. The Group is also exploring strategic acquisitions and collaboration to meet the high-velocity demand of the AI infrastructure growth over the next few years.

Risks: InnoTek's primary risk stems from geopolitical volatility, where ongoing trade tensions and tariff policies could dampen order volumes and further compress margins. While the strategic pivot toward AI and EV sectors offers high growth, it introduces sector concentration and cyclical dependency. A potential slowdown in global AI infrastructure spending or data center expansion affected by global conflicts could leave new capacity underutilized. Additionally, the rapid pace of technological evolution in liquid cooling and GPU server necessitates sustained R&D and high capital expenditure, posing a risk to profitability.

Valuation: Driven by its status as a "Recommended Vendor" for global AI leaders, we expect a 10% to 15% revenue growth and gross margins normalize at about 15% as high-margin precision machining displaces legacy segments. The structural shift toward higher-value segments is expected to bring InnoTek's forward valuation in line with its Singapore peers forward mean P/E of 24x in FY2026 and 20x in FY2027.

Business Model

InnoTek's core business operates through two primary manufacturing divisions: Precision Mechanicals Manufacturing and Precision Intelligent Manufacturing. This dual-capability model allows the Group to serve a diversified portfolio of six key segments: Office Automation, Automotives, TV/Display, AI Server, New Field and Others. This multi-segment approach allows the Group to capture a wide range of the market while mitigating cyclicality in any single industry while positioned for high-growth megatrends.

The Office Automation (OA) Segment serves manufacturers of office equipment, printers, and document processing systems. This segment leverages on InnoTek's precision stamping capabilities to produce mechanical components. Representing a mature market, the OA segment provides stable and recurring revenue with an established customer relation and predictable demand.

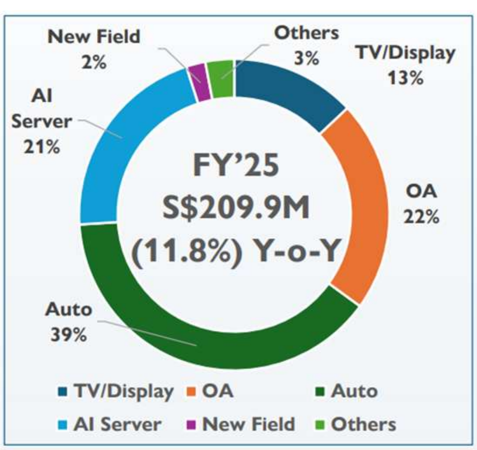
The Automotive Segment historically encompasses InnoTek's core segment. It remains a significant revenue contributor for InnoTek, focusing on precision-stamping components for vehicle assemblies including door mechanisms, seat structures and safety systems. The segment has seen rapid transformation as the automotive industry shifts towards Electric Vehicles (EV), creating both challenges for traditional components but offering opportunities for new applications and segment for InnoTek to explore.

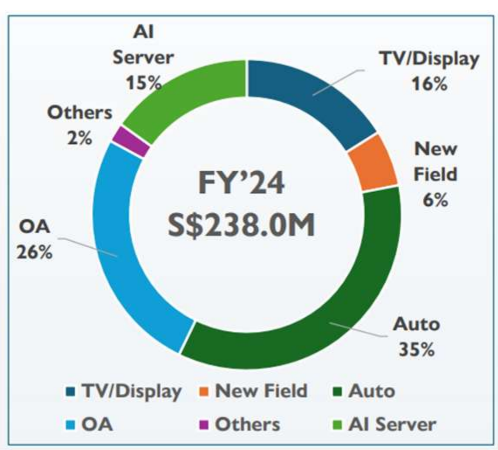
The TV/Display Segment capitalizes on InnoTek's precision manufacturing capabilities to serve the consumer electronics industry. This includes structural components for display panels, mounting systems and other elements for televisions and monitors. The segment benefits from ongoing upgrades to higher-resolution displays and larger screen size demands.

The AI Server Segment has rapidly emerged as InnoTek's primary growth catalyst. Leveraging its precision manufacturing for server chassis and thermal management systems. With recent milestones by becoming an approved vendor for global AI leaders like NVIDIA, this segment has gained significant importance in InnoTek's business portfolio and allowed InnoTek to move up the value chain.

The New Field Segment encompasses emerging industries such as medical devices, GPU servers and gaming machines. This serves as InnoTek's innovation pipeline for future growth opportunities. The segment includes experimental projects, prototype development and early-stage commercial applications that may eventually scale into dedicated business lines.

Lastly, the Other Segment primarily captures residual revenue from legacy product lines and miscellaneous sub-contracting services that fall outside of the other segments.





Source: Company Data

Key Management

Name	Role	Biography
Neal Manilal Chandaria	**Chairman**	Mr. Neal Chandaria has been serving as Chairman of the Board since April 2017 and is a member of Remuneration Committee, Nominating Committee and the Audit & Risk Management Committee. Mr. Chandaria is a senior executive at the Comcraft Group, a global enterprise active in sectors such as steel, aluminium, plastics, packaging, and information technology. Based in Singapore, he has played a key role in developing Comcraft's businesses across Asia for more than 25 years, having previously been involved in the Group's operations in Africa and Europe. He holds a degree in Economics from Stanford University and serves as the Honorary Consul of the Republic of Kenya in Singapore. Mr. Chandaria was re-elected as a Director of the Company at the AGM for the financial year ended 31 December 2024 pursuant to Article 103 of the Company's Constitution.
Lou Yiliang	**Chief Executive Officer (CEO)**	Mr. Lou Yiliang was appointed as the Executive Director of InnoTek and Chief Executive Officer of the company's wholly-owned subsidiary, Mansfield Group, on 2 November 2015. In 2017, Mr Lou was further appointed as the Chief Executive Officer of InnoTek Limited. Mr. Lou has vast experience in the consumer electronics and home appliances businesses in Asia. He started his career as an entrepreneur in the 1980s by helping procure Toshiba consumer electronics from Japan to China. The business helped pave the way for the transfer of technology from Toshiba in Japan to major Chinese manufacturers of TV sets and other consumer electronics.
Xiong Guang	**Chief Operating Officer, Precision Manufacturing BU & Director**	Mr. Xiong Guang has over 25 years of experience in precision engineering and quality management. He joined Mansfield Group in 2007 and has since held progressively senior leadership positions. In August 2025, Mr. Xiong assumed his current role as Chief Operating Officer of the Precision Mechanical Manufacturing BU, overseeing precision components and tooling operations.
Derrick Lee Wei Ta	**Chief Operating Officer, Precision Intelligent Manufacturing BU & Director**	Mr. Derrick Lee brings over 17 years of experience in precision engineering and intelligent manufacturing, with a strong track record in building businesses across Asia. He joined Mansfield Group in 2011 and currently serves as Chief Operating Officer of the Precision Intelligent Manufacturing BU, overseeing precision machining operations, growth strategy, and advanced manufacturing initiatives.

Key Management

Name	Role	Biography
Angeline Tan Siang Keng	**Chief Financial Officer (CFO)**	Ms. Tan Siang Keng, Angeline was appointed as the Group Chief Financial Officer of the Company on 10 June 2024. She is responsible for overseeing the Group's financial and management accounting, treasury, taxation, risk management, investments, investor relations, and ensuring corporate and regulatory compliance. Ms. Tan has over 30 years of experience in financial & human resource management, market development and business operations in China and the Southeast Asian region, with a focus on the metal stamping industry.
Ukawa Masatsugu	**Chief Administration Officer & Director**	Mr. Ukawa Masatsugu has been serving as Chief Administration Officer for Mansfield Group Administration since April 2018. Mr. Ukawa brings to Mansfield Group more than 30 years of experience in investment banking, finance and corporate management in both China and Japan.
Quincy Chan Ming Ue	**Chief Marketing Officer & Director**	Mr. Quincy Chan was designated as Chief Marketing Officer on 11 March 2026. He oversees the Group's global marketing strategy, business development initiatives, quality compliance and key customer engagement across major markets. Mr. Chan has over 25 years of experience in sales, marketing and business development in the mechanical manufacturing industry, covering plastics and precision metal components, with extensive exposure across automotive, healthcare, consumer electronics and packaging sectors.

Industry Overview

The global precision engineering industry is currently undergoing a period of structural transformation, driven by the convergence of the artificial intelligence revolution and the realignment of global supply chains. As of 2026, the industry is no longer defined by merely machining capabilities but by its ability to solve complex structural challenges.

The primary engine of growth within the precision engineering sector is the unprecedented AI infrastructure supercycle. As global hyperscalers and enterprises accelerate the deployment of high-performance artificial intelligence models and data centers, the demand for specialised equipment and components has surged. Unlike general-purpose servers, AI-optimized hardware requires a significantly more robust mechanical design to support the weight and thermal outputs. This transition represents a significant margin expansion opportunity for manufacturers like InnoTek who can produce high-precision thermal components and systems that can effectively support the sector's growth.

Simultaneously, the automotive industry is navigating through its transition toward Electric Vehicles (EV). The traditional internal combustion engine supply chain is rapidly consolidating and making way for a new ecosystem centered on electrical components for EVs. In this environment, the precision engineering sector is seeing increased demand for high complexity components such as battery pack enclosures and intricate safety mechanisms. The barrier to entry in this segment has risen significantly as manufacturers demand stringent conditions and tolerances for the components, offering new high-growth opportunities for providers who are able to meet this demand.

Beyond technological shifts, the industry is being reshaped by geopolitical tensions. With trade wars and tariffs being the key focus of this tension, multinational corporations are aggressively diversifying their manufacturing footprints to mitigate tariff risks and over-reliance on a single geography. This has triggered a massive reshoring of precision engineering capacity towards Southeast Asia, especially within Malaysia, Thailand and Vietnam emerging as the primary beneficiaries. Consequently, the competitive moat in this industry is now built upon geographic flexibility and the ability to maintain consistent, high-specification output across the various operational environments.

Investment Catalyst

InnoTek has secured the "Recommended Vendor" status for global AI leaders NVIDIA and IEIT Systems (the primary server arm of Inspur Group). This milestone transitioned the Group from a general precision manufacturer into an elite Tier-1 supplier for high-performance infrastructure. Mass production of precision-machined components for NVIDIA's AI server platforms commenced in 4Q'25, with InnoTek currently providing specialised chassis and advanced thermal management prototypes. In the AI hardware world, being "fast" is a prerequisite, especially at the pace that NVIDIA's product cycles are going. InnoTek's ability to design, fabricate and ship prototypes within the demanding timeframe that NVIDIA required alongside its specialised precision manufacturing racks that are able to meet the demanding details and colours allowed InnoTek to rise and secure the "Recommended Vendor" status. This relationship with NVIDIA creates a powerful "halo effect," validating InnoTek's engineering standards to other global Original Design Manufacturers (ODMs) and positioning the Group to capture a larger share of the global GPU server market as data centers continue to scale worldwide.

The Group has demonstrated a successful strategic pivot away from legacy, cyclical consumer electronics (Office Automation and TV/Display) toward high-margin, secular growth sectors. In FY2025, InnoTek's GPU Server segment saw revenue rise to S$43.2 million, now accounting for 21% of total Group revenue from 15% in FY2024. Simultaneously, the Automotive segment has become the Group's largest pillar, contributing 39% of total revenue. This growth is increasingly driven by Electric Vehicle (EV) applications, which helped offset softer demand for traditional internal combustion engine components. By focusing on these high-growth verticals, InnoTek is effectively insulating its top line from the maturity of the global printer and display markets.

To mitigate geopolitical risks and U.S. trade tariffs, InnoTek is diversifying its manufacturing base across Southeast Asia. The cornerstone of this strategy is the 15,772 sqm factory extension in Thailand, which is slated to commence operations in 2Q'26. This facility will not only support volume growth for the Automotive and OA segments but will also serve as a regional hub for the Group's growing GPU server and liquid-cooling business. This regional resilience was further bolstered by the disposal of a loss-making 70% stake in its Vietnam subsidiary (Hua Yuan Sheng), a move that streamlined operations and freed up capital for higher-margin projects in Thailand and Malaysia.

InnoTek enters 2026 with a strong net cash position, providing significant "dry powder" to fund ongoing projects and strategic expansions especially in higher-margin segments. InnoTek is undergoing a transformative shift from a traditional precision metal manufacturer to a strategic player in the high-growth AI Server and Electric Vehicle markets. This repositioning allows the Group for meaningful revenue acceleration and margin expansion in FY2026 and beyond. The Group has guided that the AI Server and EV segments are expected to become the main revenue contributors in the next three years, supported by a strong net-cash position.

Financial Review

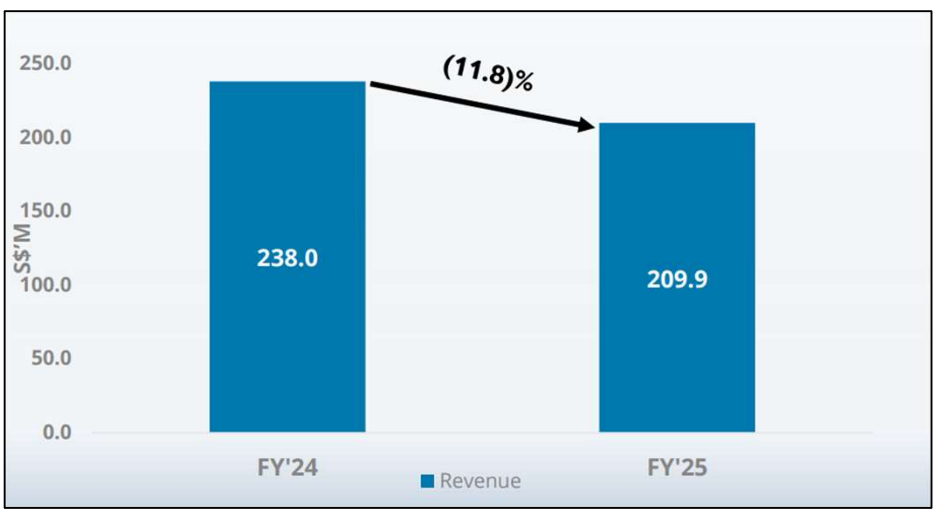
InnoTek Limited reported a revenue of S$209.9 million for FY2025, representing an 11.8% decline from S$238.0 million in FY2024. This contraction was primarily attributed to the intensified U.S. trade tariffs and shifting geopolitical dynamics, which dampened demand in the Group's traditional segments such as Office Automation and TV/Display.

However, the AI Server segment emerged as a resilient growth pillar, with revenue contribution rising 21.3% from S$35.6 million to S$43.2 million. While this growth was significant, it was insufficient to fully offset the broader declines in the other segments, which faced subdued consumer sentiment. Gross Profit decreased to S$28.6 million from S$36.4 million, with Gross Margins contracting from 15.3% in FY2024 to 13.6% in FY2025. This margin squeeze was driven by two main factors, lower overall volumes as well as a transitional shift in their product mix.

Reported net profit attributable to owners of the Company stood at S$2.0 million in FY2025, down from S$5.8 million in FY2024. However, excluding one-off exceptional items of S$1.6 million, the Group's net profit attributable to owners of the Company would have been S$3.6 million.

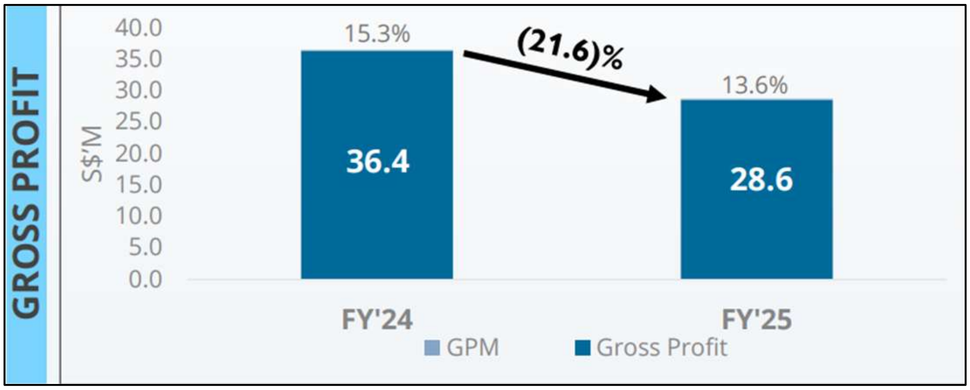
Despite the challenging earnings, the Group has demonstrated confidence in its recovery by proposing a dividend of 2.0 Singapore cents per share. This maintains the Group's long-standing track record of consistent shareholder returns even during periods of downturn. The Group's balance sheet remains its greatest competitive advantage. InnoTek recorded a net cash position of S$57.3 million, representing roughly one-fourth of their market capitalization. The Group is uniquely positioned to self-fund its factory expansions in Thailand without the burden of high-interest debt.

FY2024 & FY2025 Revenue



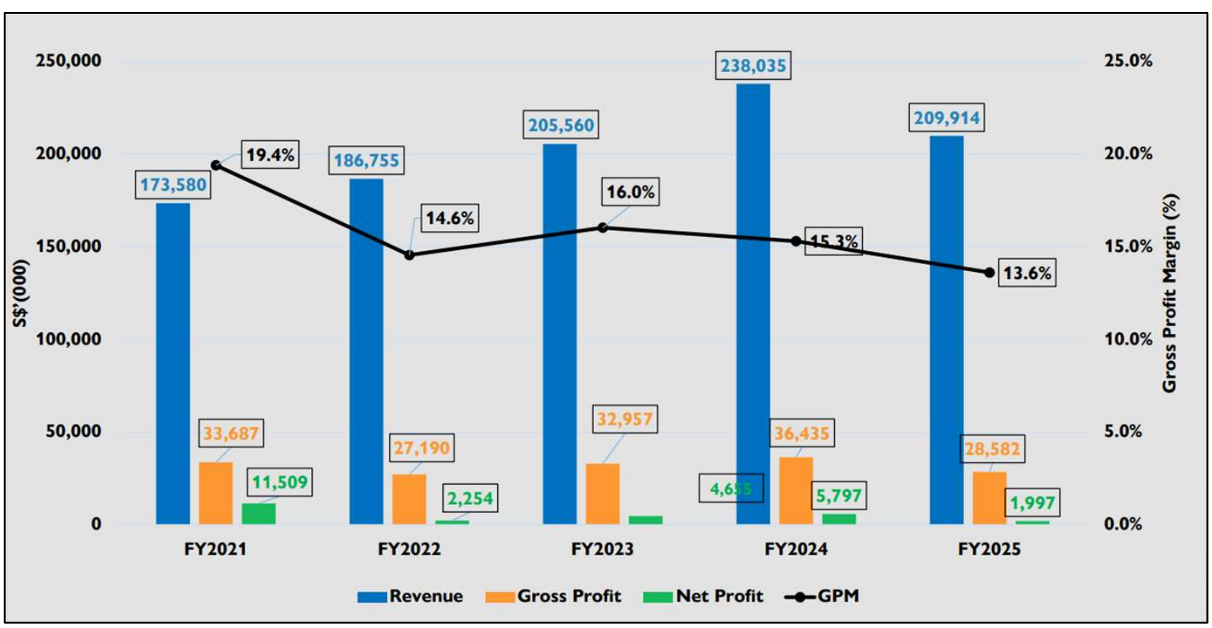
Source: Company Data

FY2024 & FY2025 Gross Profit



FY2024 & FY2025 Net Profit attributable to owners of the company

Financial Trend Overview



Source: Company Data

Valuation

We expect to see a significant revenue inflection for InnoTek, with expected revenue growth of about 15% in FY2026 and FY2027. This top-line acceleration is anchored by the Group's strategic pivot toward the AI Server and Automotive (EV) sectors. As InnoTek capitalises on its "Recommended Vendor" status for global AI titans, these segments are poised to become the dominant anchors of the Group's revenue mix, providing both scale and high-quality recurring demand.

We expect InnoTek's gross margins to normalise at about 15% in the foreseeable future. This margin expansion is driven by a favourable change in the Group's top line product mix. Compared to traditional legacy segments such as the Printing and Stamping segment, Precision Machining segment is expected to command a structurally higher margin due to its technical complexity and extreme tolerances in machining.

Given the shift toward higher-value verticals and the resulting improvement in their top-line revenue mix, we believe InnoTek forward P/E multiple trend towards and fall in line with their Singapore peers forward mean P/E of 24x in FY2026 and 20x in FY2027.

Company Name	Market Cap (S$'m)	Last Price (S$)	FY2026E P/E	FY2027E P/E
VALUETRONICS HOLDINGS LTD	438.51	1.07	15.13	13.90
AZTECH GLOBAL LTD	582.70	0.76	13.25	12.30
FRENCKEN GROUP LTD	1082.56	2.53	24.33	21.50
AEM HOLDINGS LTD	1649.90	5.24	43.67	31.30
UMS INTEGRATION LTD	1776.34	2.00	30.30	24.40
VENTURE CORP LTD	4746.94	16.51	19.36	18.20

Source: Bloomberg

		Average	24.34	20.27

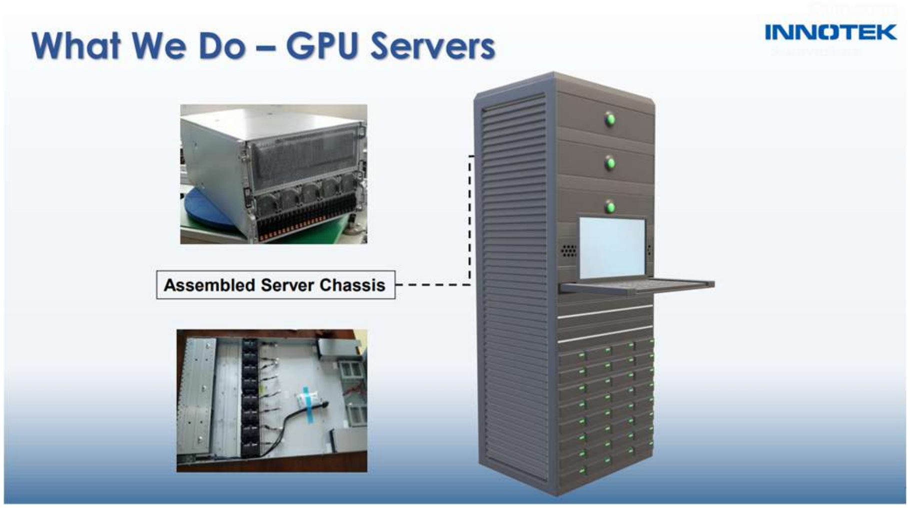
Risks

The most immediate risk that InnoTek is exposed to remains the volatile global trade environment. As seen in FY2025's revenue being impacted heavily by global trade tensions, the Group is vulnerable to any sort of tariff policies enacted. Any further escalation in trade barriers could lead to reduced order volumes or softened consumer demand, potentially leading to further margin compressions beyond FY2025.

As InnoTek pivots toward the AI Server and EV markets, there is increased exposure to a few high-value customer clusters. Though being the "Recommended Vendor" for NVIDIA and IEIT Systems is a significant win and transformation, it also creates a dependency on the cycles of global AI industry. If there is a slowdown in data center expansions or possible AI "bubble" bursting, InnoTek's new added capacity could face underutilization. Furthermore, the Automotive segment could see a faster-than-expected decline of traditional petrol vehicles despite growing demand for EV. This may create a revenue gap that the AI Server and EV segment cannot fill immediately.

The pace of technological change also poses a risk to InnoTek. The Group is expanding into GPU server and related liquid cooling businesses in Southeast Asia; this will require continuous R&D to keep pace with the rapidly evolving thermal needs. There is a risk in competing for such technology as maintaining its "Recommended Vendor" status will require constant capital expenditure into high-end precision equipment, putting additional pressure on margins if the expected volumes do not materialize.

GPU/AI Servers



Office Automation (OA)

TV/Display

Source: Company Data

Automotive

Source: Company Data

Income Statement

FYE Dec ($Sm)	FY23	FY24	FY25	1H24	1H25
Revenue	**205.6**	**238.0**	**209.9**	**121.6**	**102.5**
Cost of sales	(172.6)	(201.6)	(181.3)	(103.9)	(88.6)
Gross profit	**33.0**	**36.4**	**28.6**	**17.7**	**13.9**
Interest income	1.2	2.1	1.1	1.1	0.6
Other income	4.9	7.3	5.8	3.0	2.8
Selling and distribution	(3.7)	(4.4)	(4.1)	(1.9)	(2.0)
Administrative expenses	(24.8)	(29.8)	(26.4)	(14.4)	(13.8)
Finance costs	(2.2)	(2.1)	(1.3)	(1.1)	(0.7)
Other expenses	(1.7)	(1.5)	(1.1)	(0.3)	(0.0)
Share of results of joint venture	(0.3)	(0.8)	0.0	(0.2)	0.0
Profit before tax	**6.4**	**7.3**	**2.6**	**3.9**	**0.8**
Income tax expense	(2.0)	(1.8)	(1.0)	(0.7)	(0.7)
Profit, net of tax	**4.4**	**5.5**	**1.6**	**3.1**	**0.1**
Less: Non-controlling interest	0.3	0.3	0.4	0.0	0.3
Net profit attributable to owners of the Company	**4.7**	**5.8**	**2.0**	**3.2**	**0.4**

Balance Sheet

FYE Dec ($Sm)	FY23	FY24	FY25	1H24	1H25
Non-current assets					
Property, plant and equipment	35.7	39.8	40.6	37.1	41.7
Right-of-use assets	15.8	12.7	25.6	14.7	8.9
Investment properties	26.5	27.0	25.9	27.0	25.6
Intangible assets	0.4	0.9	1.5	0.3	1.0
Investment in joint venture	0.8	0.0	0.0	0.6	0.0
Deferred tax assets	1.6	1.3	1.1	1.7	1.2
Other receivables	1.5	1.1	2.0	2.0	2.2
Total Non-Current Assets	**82.3**	**82.8**	**96.7**	**83.4**	**80.6**
Current assets					
Inventories	37.6	32.9	35.1	34.6	33.9
Trade and other receivables	64.7	67.2	71.6	84.0	67.0
Income tax recoverable	0.0	0.1	0.0	0.1	0.1
Contract assets	4.6	5.4	6.6	5.8	6.1
Prepayments	4.5	4.2	2.0	5.3	2.4
Other investments	20.1	21.2	20.5	22.0	22.1
Cash and short-term deposits	50.2	48.9	46.5	42.9	39.4
Total Current Assets	**181.7**	**180.0**	**182.3**	**194.7**	**171.0**
Total assets	**264.1**	**262.8**	**279.0**	**278.1**	**251.6**
Current liabilities					
Provisions	0.0	0.0	0.0	0.0	0.0
Income tax payable	3.6	4.2	3.6	3.7	3.9
Trade and other payables	56.2	58.5	63.8	67.3	61.5
Contract liabilities	4.3	2.3	2.4	5.4	2.2
Loans and borrowings	7.0	5.0	9.7	9.0	7.4
Lease liabilities	6.1	6.9	5.6	7.0	4.5
Total Current Liabilities	**77.2**	**76.9**	**85.1**	**92.4**	**79.5**
Non-current liabilities					
Provisions	0.4	0.4	0.4	0.4	0.4
Deferred tax liabilities	2.1	2.0	2.0	2.1	2.0
Other payable	0.0	0.4	0.4	0.0	0.4
Lease liabilities	11.1	6.9	19.9	9.1	5.3
Total Non-Current Liabilities	13.6	9.7	22.7	11.6	8.0
Total liabilities	**90.8**	**86.6**	**107.8**	**104.0**	**87.5**
Share capital	98.0	98.0	98.0	98.0	98.0
Treasury shares	(8.9)	(8.9)	(7.5)	(8.9)	(9.4)
Retained earnings	87.6	89.0	86.2	86.2	84.7
Other reserves	(4.4)	(2.6)	(5.5)	(2.2)	(9.5)
Non-controlling interests	1.0	0.7	0.0	1.0	0.3
Total equity	**173.3**	**176.2**	**171.2**	**174.1**	**164.1**
Total liabilities and equity	**264.1**	**262.8**	**279.0**	**278.1**	**251.6**

Cash Flow Statement

FYE Dec ($Sm)	FY23	FY24	FY25	1H24	1H25
Profit before tax	**6.4**	**7.3**	**2.6**	**3.9**	**0.8**
Adjustments for:					
Depreciation of property, plant and equipment	5.1	5.7	6.1	2.7	3.1
Amortisation of intangible assets	0.2	0.2	0.4	0.1	0.2
Depreciation of right-of-use assets	5.8	6.1	5.4	3.0	2.7
Net loss/(gain) on disposal of property, plant and equipment	0.0	(0.2)	0.0	0.0	0.0
Gain on termination of lease	0.0	0.0	(0.1)	0.0	(0.1)
Loss on disposal of subsidiary	0.0	0.0	0.3	0.0	0.0
Share-based payments	0.0	0.1	0.2	0.0	0.2
Net fair value gain on investment securities	(0.1)	(1.6)	(1.9)	(0.6)	(0.5)
Net loss on disposal of other investments	0.2	0.0	(0.2)	(0.0)	(0.0)
Net fair value gain on investment properties	(0.6)	(0.2)	0.4	0.0	0.0
Allowance for expected credit losses on financial assets at amortised cost	0.1	0.4	0.0	0.3	0.0
Impairment loss on contract assets	0.0	0.0	0.2	0.0	0.0
Share of results of joint venture	0.3	0.8	0.0	0.2	(0.0)
Net reversal of provisions	(0.0)	(0.0)	0.0	0.0	0.0
Interest expense	2.2	2.1	1.3	1.1	0.7
Interest income	(1.2)	(2.1)	(1.1)	(1.1)	(0.6)
Dividend income from other investments	(0.3)	(0.4)	(0.4)	(0.2)	(0.2)
Net allowance for inventory obsolescence	0.1	1.3	0.3	3.2	0.1
Net impairment loss on capitalised contract costs	0.1	1.6	0.0	0.0	0.0
Impairment loss on property, plant and equipment	0.5	0.5	0.0	0.0	0.0
Impairment loss on right-of-use assets	0.9	0.6	0.0	0.0	0.0
Exchange differences	(1.6)	0.6	(1.1)	1.2	(2.0)
Operating cash flows before changes in working capital	18.0	22.8	12.4	13.8	4.4
Changes in working capital:					
Increase in trade and other receivables and contract assets	(15.2)	(3.0)	(5.3)	(21.4)	(1.7)
Decrease/(increase) in inventories	3.9	1.9	(2.3)	(0.2)	(1.1)
Increase in prepayments	(0.2)	0.7	0.0	(0.0)	(0.3)
Increase in trade and other payables and contract liabilities	2.5	0.7	6.3	12.2	3.1
Decrease in provision	(0.0)	0.0	(0.0)	0.0	0.0
Cash flows from operations	9.0	23.1	11.1	4.4	4.4
Interest paid	(2.2)	(2.1)	(1.3)	(1.1)	(0.7)
Interest received	1.2	1.5	1.2	1.1	0.6
Income taxes paid	(0.4)	(1.0)	(1.3)	(0.7)	(0.7)
Income taxes refunded	0.2	0.0	0.0	0.0	0.0
Net cash flows generated from operating activities	**7.8**	**21.5**	**9.7**	**3.7**	**3.6**
Investing activities					
Purchase of property, plant and equipment	(11.7)	(10.1)	(10.3)	(3.9)	(5.5)
Additions to prepaid property, plant and equipment	0.0	0.0	0.0	0.0	0.0
Proceeds from disposal of property, plant and equipment	0.0	0.1	0.1	0.0	0.0
Deposit paid for property, plant and equipment	(1.4)	(0.4)	0.0	(0.7)	0.0
Purchase of intangible assets	(0.0)	(0.7)	(0.5)	(0.0)	(0.2)
Disposal of a subsidiary, net of cash disposed	0.0	0.0	0.3	0.0	0.0
Purchase of other investments	(7.2)	(4.5)	(4.6)	(4.2)	(3.7)
Proceeds from disposal of other investments	6.0	5.3	7.5	2.9	3.4
Dividend received from other investments	0.3	0.4	0.4	0.2	0.2
Increase / (Decrease) in structured deposit	0.0	0.0	0.0	0.0	0.0
Acquisition of subsidiary	0.0	0.0	0.0	0.0	0.0
Decrease/(increase) in bank balance under portfolio investment management	0.7	0.7	0.4	1.0	(0.7)
Net cash flows used in investing activities	**(13.3)**	**(9.2)**	**(6.7)**	**(4.7)**	**(6.5)**
Financing activities					
Proceeds from exercise of share options	0.0	0.0	1.7	0.0	0.0
Proceeds from bank loans	5.8	3.8	14.2	1.9	2.8
Proceeds from loan from non-controlling interests	1.2	0.0	0.0	0.0	0.0
Repayment of bank loan	0.0	(5.7)	(8.3)	0.0	0.0
Payment of principal portion of lease liabilities	(5.1)	(7.0)	(6.4)	(3.0)	(3.0)
Dividend paid on ordinary shares	(4.6)	(4.6)	(4.6)	(4.6)	(4.6)
Capital contribution from non-controlling interests	1.2	0.0	0.0	0.0	0.0
Placement of pledged deposit	0.0	0.0	(1.5)	0.0	0.0
Purchase of treasury shares	0.0	0.0	(0.6)	0.0	(0.6)
Net cash flows used in financing activities	**(1.5)**	**(13.5)**	**(5.5)**	**(5.7)**	**(5.4)**
Net decrease in cash and cash equivalents	(7.0)	(1.2)	(2.5)	(6.7)	(8.3)
Effect of exchange rate changes on cash and cash equivalents	(1.1)	0.7	(1.1)	0.4	(1.9)
Cash and cash equivalents at 1 January	**56.8**	**48.7**	**48.2**	**48.7**	**48.2**
Cash and cash equivalents at 31 December / 30 June	**48.7**	**48.2**	**44.6**	**42.4**	**38.0**

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