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## Issuer & Securities

### FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

VALUETRONICS HOLDINGS LIMITED

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#### Securities

VALUETRONICS HOLDINGS LIMITED - BMG9316Y1084 - BN2

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#### Stapled Security

No

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## Announcement Details

#### Announcement Title

Financial Statements and Related Announcement

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#### Date & Time of Broadcast

13-Nov-2024 07:15:01

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#### Status

New

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#### Announcement Sub Title

Half Yearly Results

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#### Announcement Reference

SG241113OTHRW3LW

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#### Submitted By (Co./ Ind. Name)

Tse Chong Hing

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#### Designation

Chairman and Managing Director

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#### Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please see attached:

Presentation slides in relation to 1HFY2025 Results.

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## Additional Details

#### For Financial Period Ended

30/09/2024

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## Attachments

[20241112-VHL - HY2025 - Presentation Slides.pdf](#)

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Total size = 2870K MB

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# **HY2025 Results Briefing**

**Note: This presentation is to be read in conjunction with the announcement issued on SGXNET on 13 Nov 2024**

# Important Notice



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# About Us

## Corporate Information

- Established in 1992 in Hong Kong
- An integrated Electronics Manufacturing Services (EMS) provider
- Listed on SGX Mainboard on 28 March 2007
- Auditors: PricewaterhouseCoopers
- Employees: ~3,000 globally (30 September 2024)
- Two facilities: ShenZhen, China + Hanoi, Vietnam

## Accreditations

- ISO9001:2015
- ISO14001:2015
- TL9000:2016(H) R6.3/5.7
- IATF16949: 2016
- IPC J STD-001/ IPC-A-610 QML Class 3
- ANSI/ESD S20.20 - 2021

Bloomberg Code

Reuters Code

Stock Code

Index

Issued shares (M)

Mkt cap\* (S\$M)

Share price\* (S\$)

52 wk range\* (S\$)

**VALUE.SP**

**VLUE.SI**

**BN2**

**FTSE ST Small Cap,  
FTSE Global MicroCap**

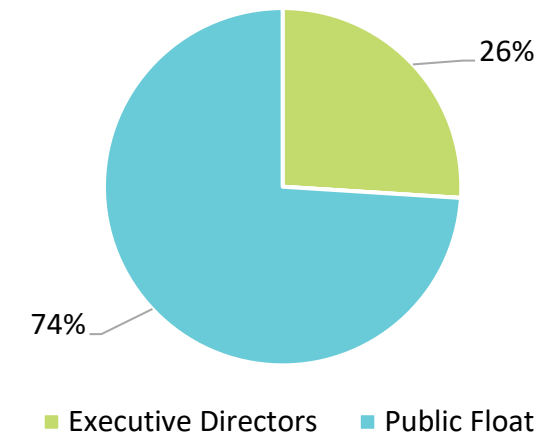
**435.6**

**276.6**

**0.635**

**0.655 - 0.460**

## Shareholding



\* 12 Nov 2024, SGX

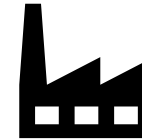
# Business Overview

Valuetronics is a one-stop, integrated EMS provider that offers a full range of services to its customers

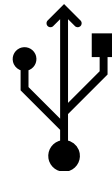


## Design and development

covers engineering design and development, product design and deployment, and tool design and tool fabrication



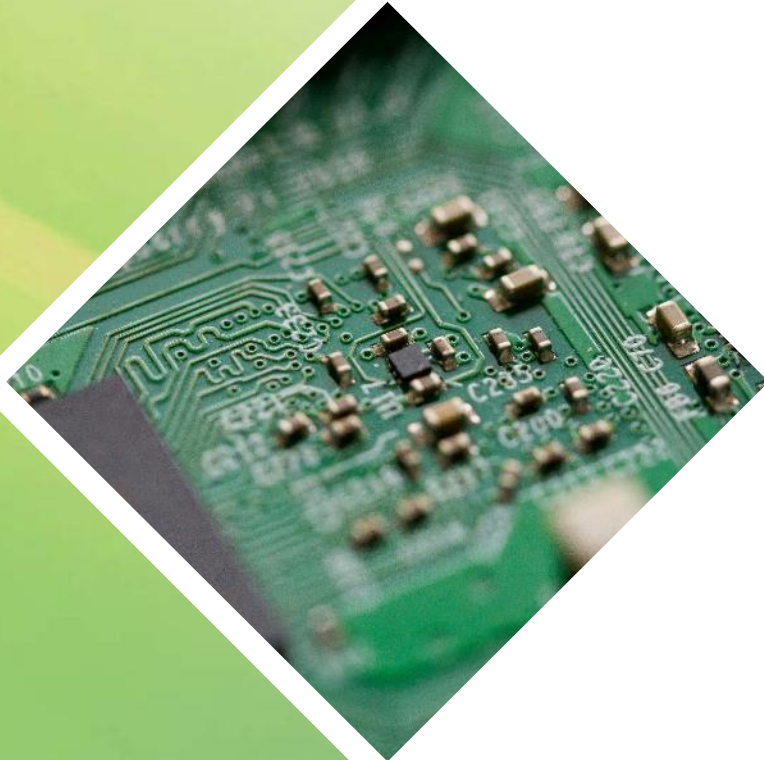
**Manufacturing** with integrated manufacturing sites in China and Vietnam



**Assembly** covers plastic injection moulding, metal stamping and machining, and printed circuit board assembly and box build assembly

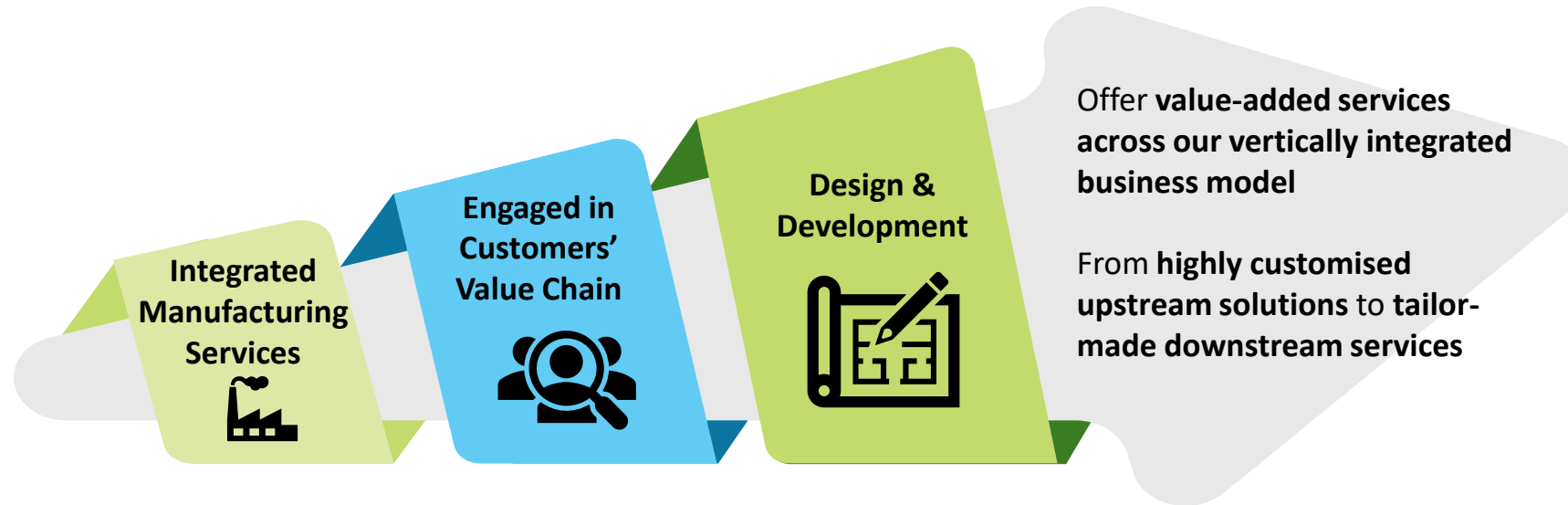


**Supply chain support** provides full turn-key manufacturing services covering procurement of raw materials, manufacture and deliver products to customer's designated locations





# A Premier Design and Manufacturing Partner



## Proactive deployment of Design & Development capabilities →

### Integrated Manufacturing Services

- SMT
- Auto insertion and selective soldering
- Wire bonding
- FG assembly
- CNC machining
- Injection molding
- Tool design & fabrication

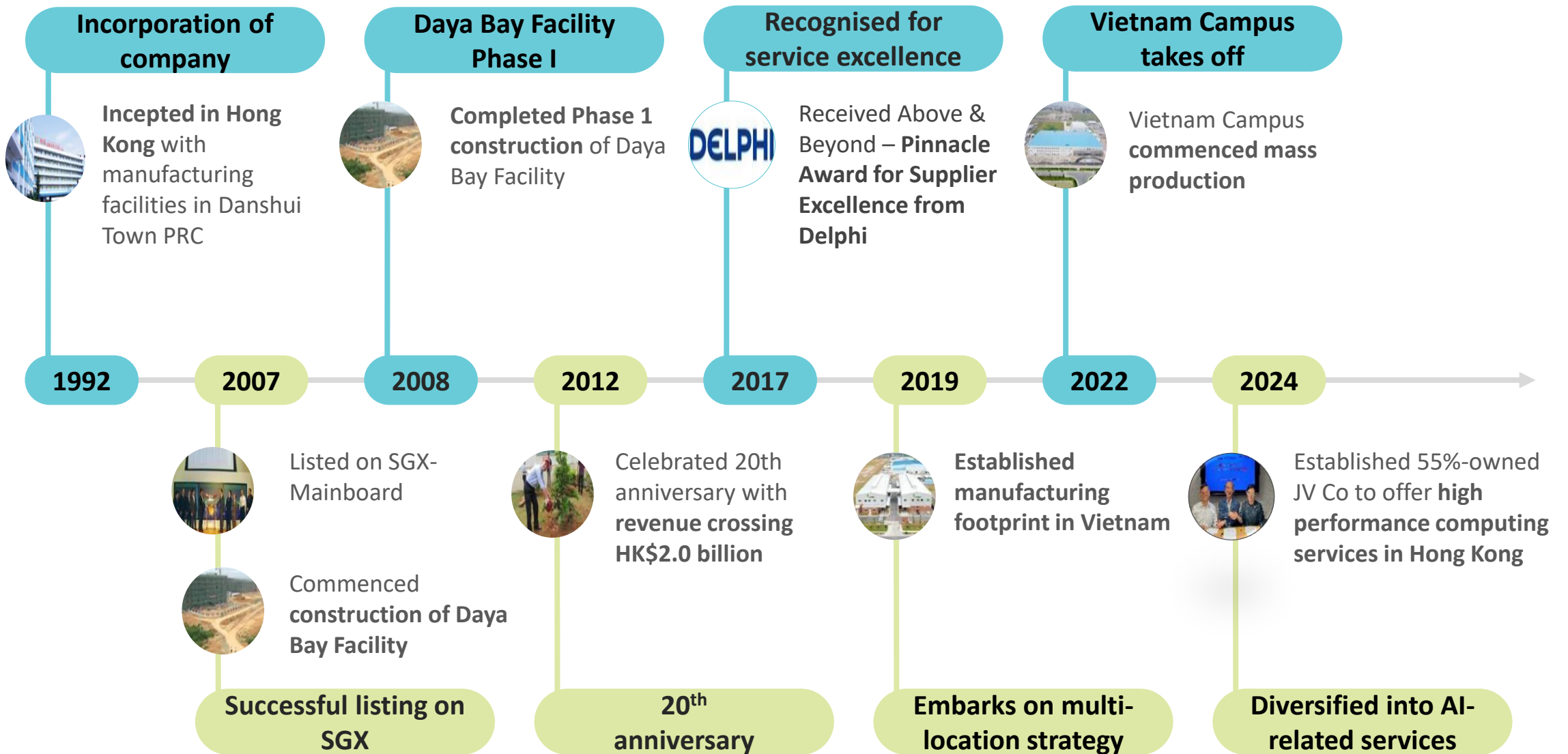
### Engaged in Customers' Value Chain

- Design for manufacturing
- Design and build test fixtures
- Rapid prototyping
- Regulatory compliances
- Supply chain management services

### Design & Development

- Mechanical and electrical engineering design from concept to mass production
- Better manufacturability with enhanced features & lower cost
- Software development
- Testing development
- Industrial design

# Key Milestones



# Multinational Footprint



## China Campus

- Land use rights acquired in 2006
- Total site area > 110,000 sq m



## Vietnam Campus

- Land use rights acquired in 2019
- Total site area > 52,000 sq m





## Printers

### Nasdaq-listed Company

(Transaction Printer for Slot, POS  
& Teller Station Machines)



### Global Brand owned by NYSE-listed MNC

(Thermal Label Printer for Industrial  
& Commercial Use)



## Sensing Devices

### Unit of a NYSE-listed MNC

(Cold Chain Temperature Monitor  
for Industrial & Commercial Use)



## Automotive Parts

### Tier 1 Automotive System Manufacturer

(Data and media connectivity module)



# Industrial & Commercial Electronics

## Communication Products

### United States-based Company



### Taiwan-listed Company



## Network & HPC Products

### United States & Canada-based Company (Cooling solutions for HPC environment)



### Network Access Solutions Provider based in Canada



## Industrial & Commercial Applications

### Startup Owned by PE Fund (Hardware provider for retail chain stores)



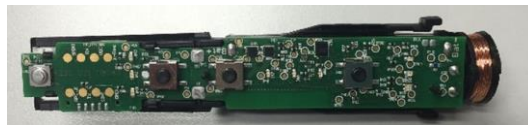
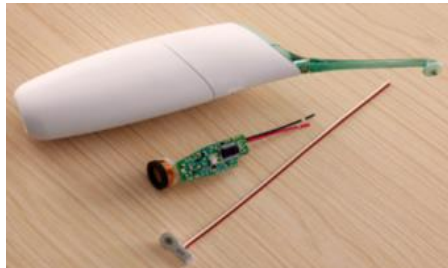
### NYSE-listed United States Company (Residential and Commercial Water Solutions)



## Consumer Lifestyle Products

### Consumer Lifestyle Division of a Dutch MNC

(PCBA for Shavers & Electric Toothbrushes  
for Consumer Use)



## Smart Lighting with IOT Features

### World leader in lighting for professionals and consumers and lighting for IOT

(Wireless lighting contain various LED specially  
chosen to produce wide range of intensities and over  
16 million colours;  
Wirelessly controlled by mobile application)



## Immersive Entertainment Products

### Leading Global Entertainment Conglomerate







# 1H FY2025 Financial Highlights

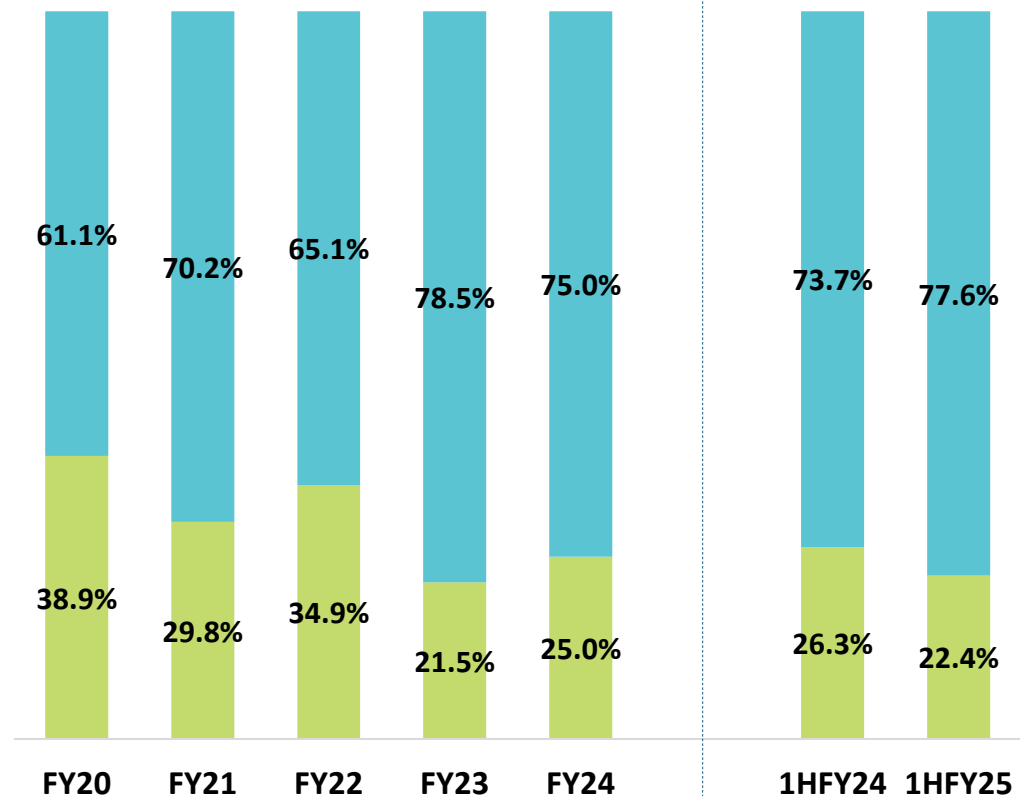
# 1H FY2025 Financial Highlights

HK\$'M	1HFY2025	1HFY2024	% Change
Revenue	862.1	891.3	(3.3)
Gross Profit	144.8	138.9	4.3
Gross Profit Margin	16.8%	15.6%	1.2% pt
Net Attributable Profit	90.5	82.1	10.2
Net Profit Margin	10.5%	9.2%	1.3% pt



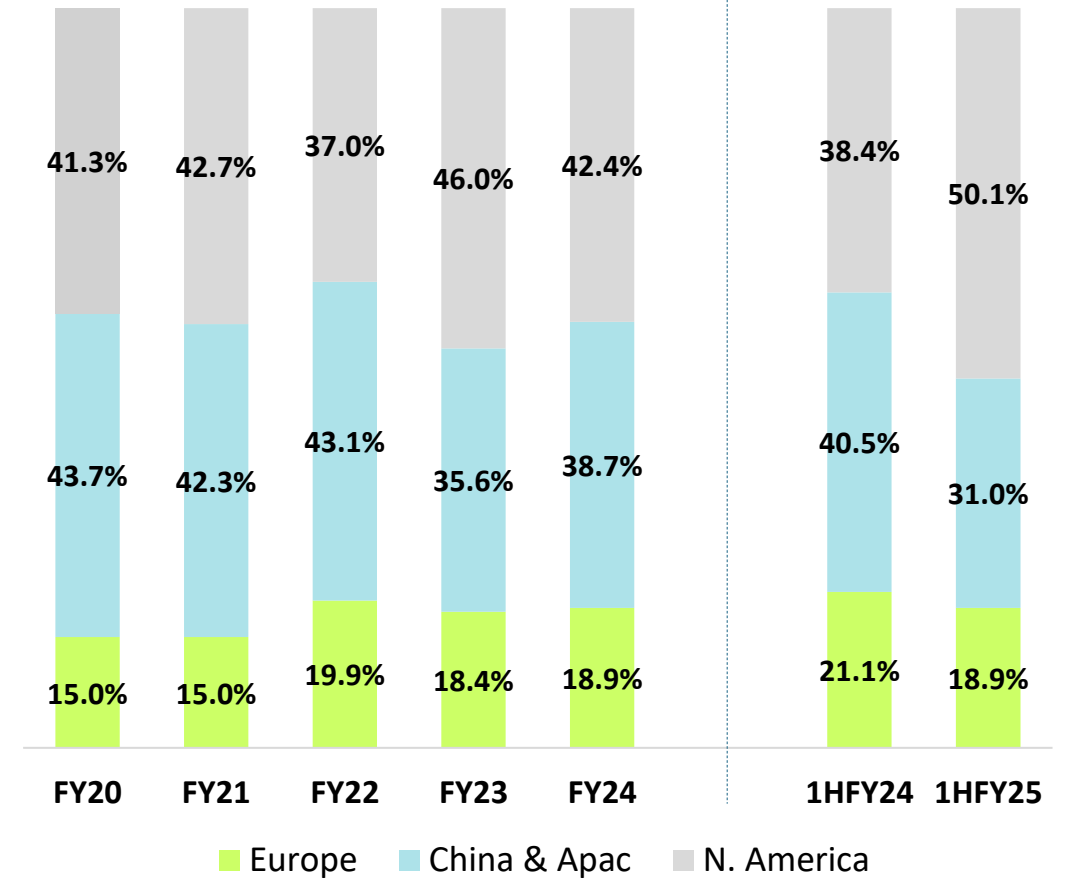
# Revenue Contribution

## By Segment

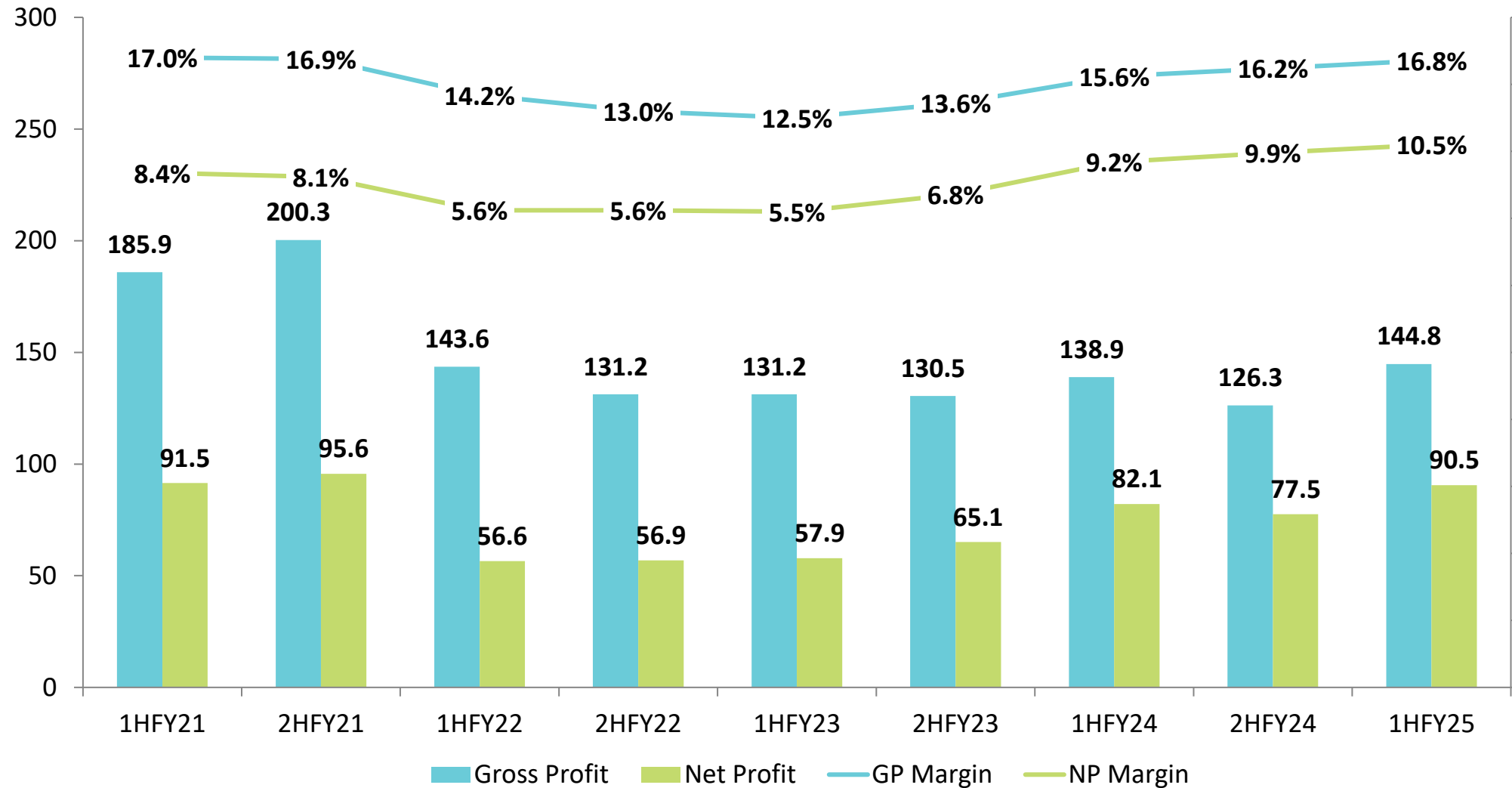


■ Consumer Electronics ■ Industrial & Commercial Electronics

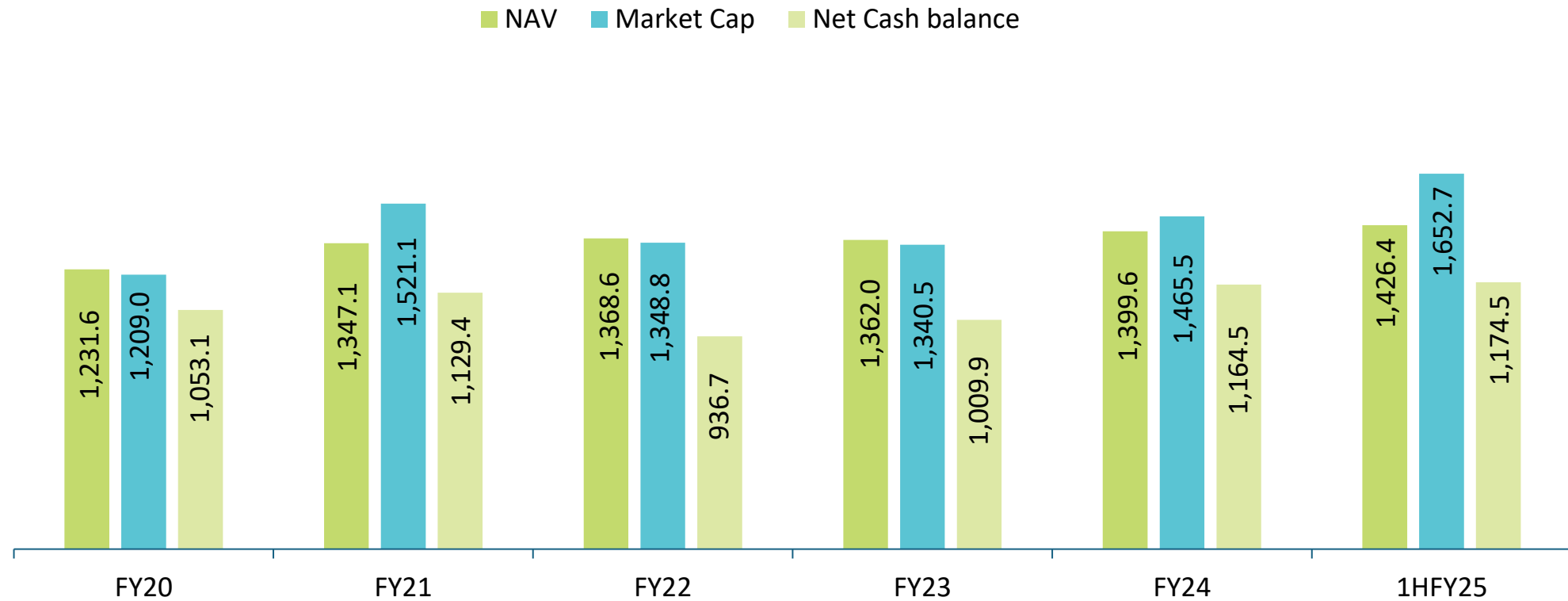
## By Shipment Destination



# Gross Profit & Net Profit Trend



# Market Capitalisation, NAV & Net Cash Balance (HK\$'m)

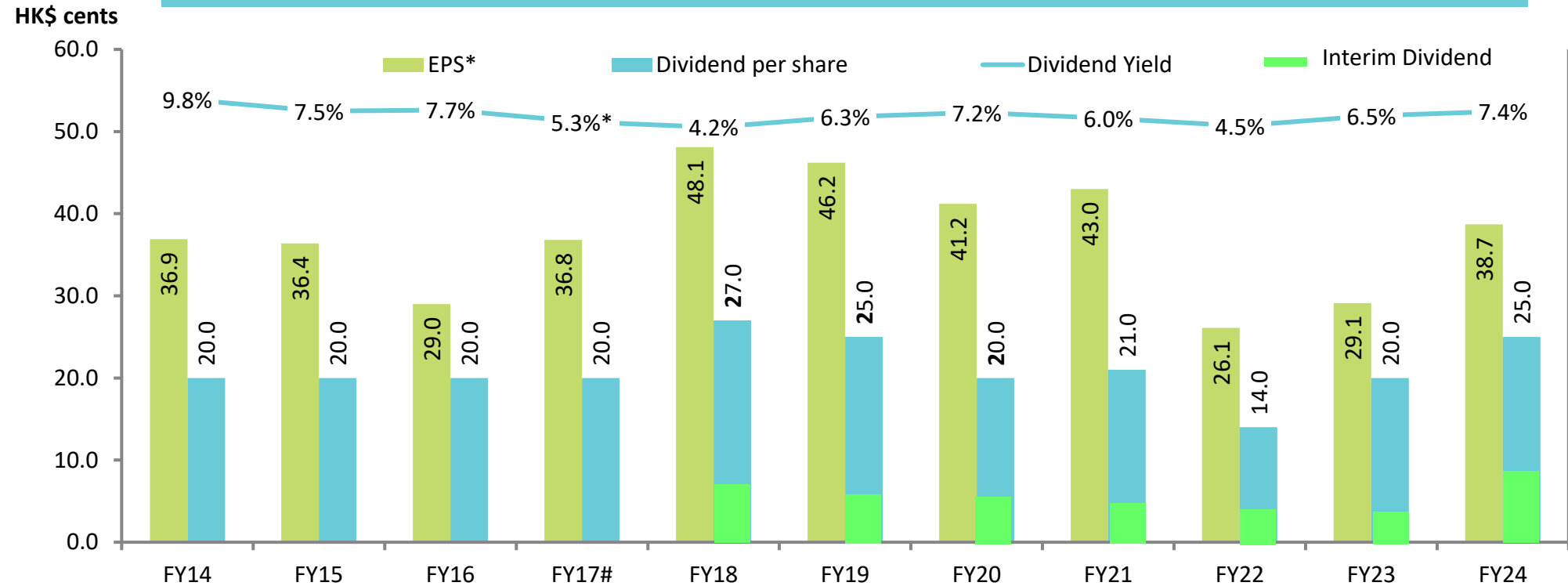


# Share price as at respective period/year end date

\*SGD/HKD Ex rate as at the end of each respective period: 1HFY25: 6.07 FY24: 5.80

# Earnings Per Share & Dividends Per Share

**Committed to formal dividend policy of 30-50% payout ratio**  
**1HFY25: Interim dividend of 4.0 HK cents and special dividend of 4.0 HK cents**



	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Share Price* (S\$)	0.30	0.43	0.41	0.68	1.08	0.68	0.51	0.61	0.54	0.52	0.58
Dividend Payout	49%	50%	63%	55%*	57%	54%	49%	49%	53%	68%	64%

\* Adjusted for 1:10 bonus issue completed in Jun 2017

# Quantum of dividend increased by 10% under 1:10 bonus issue

# Summary of Cash Flows

HK\$'000	1HFY25	1HFY24
<b>Operating Activities</b>		
Net cash generated from operating activities	<b>103,528</b>	<b>193,137</b>
<b>Investing Activities</b>		
Net cash generated from / (used in) investing activities	<b>(20,525)</b>	<b>11,984</b>
- CAPEX	(50,830)	(14,134)
- Interest received	30,305	25,640
- Others	-	478
<b>Financing Activities</b>		
Net cash used in financing activities	<b>(71,136)</b>	<b>(67,640)</b>
- Dividend paid	(70,012)	(66,209)
- Purchase of treasury shares	(13,318)	(1,431)
- Proceeds from exercise of share options	12,194	-
<b>Net increase in cash and cash equivalents</b>	<b>11,867</b>	<b>137,481</b>
Effect of foreign exchange rate changes	(1,839)	(4,244)
<b>Cash and Cash equivalents</b>		
At beginning of the period	1,164,480	1,009,930
<b>At end of the period</b>	<b>1,174,508</b>	<b>1,143,167</b>



# Balance Sheet & Key Ratios

HK\$'M	1HFY25	FY24
<b>Working capital</b>		
Inventories	<b>163.2</b>	173.1
Trade Receivables	<b>427.9</b>	381.9
Trade Payables	<b><u>(310.3)</u></b>	<u>(237.3)</u>
	<b><u>280.8</u></b>	<u>317.7</u>
<b>Net Current Assets</b>	<b>1,056.1</b>	1,068.0
<b>Net Cash</b>	<b>1,174.5</b>	1,164.5
<b>Net Assets</b>	<b>1,426.4</b>	1,399.6

Turnover Days	1HFY25	FY24
<b>Inventories</b>	<b>41.5</b>	45.0
<b>Trade Receivables</b>	<b>90.6</b>	83.5
<b>Trade Payables</b>	<b><u>(78.9)</u></b>	<u>(61.7)</u>
	<b><u>53.2</u></b>	<u>66.8</u>

# Key Financial Ratios

	1H FY25	FY24
<b>Price (SGD)<sup>#</sup></b>	0.64	0.58
<b>NAV per share (SGD)<sup>*</sup></b>	0.58	0.59
<b>Cash per share (SGD)<sup>*</sup></b>	0.47	0.49
<b>Cash to Mkt Cap ratio</b>	69%	80%

	1H FY25	FY24
<b>Current ratio</b>	2.4	2.6
<b>ROE</b>	12.7%**	11.4%
<b>ROA</b>	8.3%**	7.6%
<b>PB ratio</b>	1.12	0.98

<sup>#</sup> Share price as at respective period/year end date

<sup>\*</sup>SGD/HKD Ex rate as at the end of each respective period: 1H FY25: 6.07; FY24: 5.80

<sup>\*\*</sup> Annualised



# Business Outlook



# Macroeconomic Environment

## Key Factors

- ✓ Improvements in component supply chain
- ✓ Depreciation in RMB
- ✗ Persistent global inflation
- ✗ Slower-than-anticipated pace of interest rate cuts
- ✗ Heightened geopolitical instability



*Disclaimer: Reader should refer to section 4 under Other Information of the Results Announcements for the complete 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.*

# Strategic Diversification Delivers Results

## New Customers Acquired in Previous Years Ramping Up

- Strategy of allocating more resources towards newly acquired customers with higher growth potential and better margin showing results
- Slower business in CE from existing customers due to softening demand in end-markets
- Growth in ICE driven by new customers, including encouraging revenue contribution from a Canadian network access solutions provider, and other new customers
- Improvements in component supply chain and the depreciation of Renminbi supported further gains in gross margin

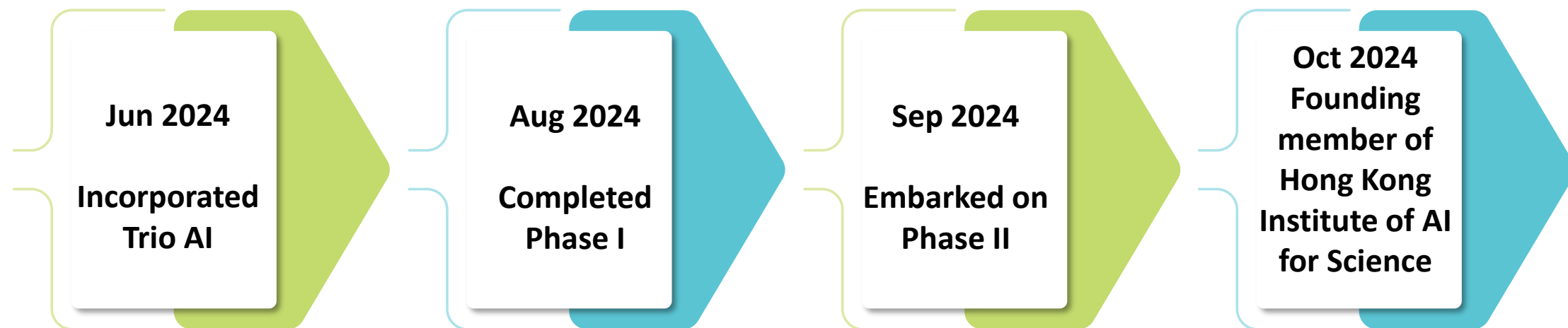
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# Looking Ahead

- Exploring new opportunities with existing customers while expanding customer base.
- Diversification strategy, including our integrated manufacturing solutions in Vietnam, will enhance our ability to respond to evolving demands and geopolitical uncertainties.
- Barring unforeseen circumstances, we expect to remain profitable for FY2025.

# Rapid Progress of New JV Co



## Harnessing opportunities from the AI industry

- Partnership with Sinnet Cloud Hong Kong to establish 55%-owned JV Co, Trio AI, to provide GPU and AI-related cloud services
  - Investment amount: HK\$7.7m
  - Completed Phase 1 asset acquisition by Computer Assets Limited (CAL), a 100%-owned subsidiary
  - Deployed 250 GPU chips and servers
  - Ready for customer trials and operations
  - Order placed by CAL to increase computing capacity by 750 GPUs chips from 250 GPU chips to over 1,000 GPU chips
  - Additional investment: HK\$172.0m
  - Additional GPUs to be gradually deployed in CY2025
  - HKAI-Sci established by City University of Hong Kong to lead pioneering AI-driven scientific research.
  - Trio AI among the academic and industry partners
- Positions Trio AI to:**
- Attract high-value clients
  - Offer premium services that support cutting-edge AI advancements.

# Share Buyback



**Feb 2022:** Announced HK\$250.0 million Share Buyback Program to increase shareholder value and improve return on equity.



**To-date 1HFY2025:** Regular share buybacks totaling approximately 30.0 million company shares for approximately HK\$92.2m.



**Intend to continue Share Buyback Program.**



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# Corporate Awards

## Multi-time winner at the SIAS Investors' Choice Awards

### Both 2024 and 2023

- Joint Winner of Most Transparent Company Award (Technology Category)
- Joint Winner of Singapore Corporate Governance Award (Small Cap Category)

### 2019

- Runner Up of Sustainability Award (Small Cap Category)





## Corporate Sustainability Highlights



### Local Community Engagement

Carried out such engagements at least once every quarter



### Environmental Compliance

Achieved ISO14000 accreditation, standards for environmental management since 2008



### Carbon Reduction

Installed solar panels for China campus that will generate power output for factory use and reduce carbon emissions



### Diversity

Achieved an almost equal ratio of worker and staff distribution by gender and no incidents of discrimination reported







**valuetronics**

**Thank You!**