
Issuer & Securities

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Securities

VALUETRONICS HOLDINGS LIMITED - BMG9316Y1084 - BN2

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

13-Nov-2024 07:10:56

Status

New

Announcement Sub Title

Half Yearly Results

Announcement Reference

SG241113OTHRUW8P

Submitted By (Co./ Ind. Name)

Tse Chong Hing

Designation

Chairman and Managing Director

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

Please see attached:

Condensed Interim Consolidated Financial Statements and Dividend Announcement for the Six Months Ended 30 September 2024.

Additional Details

For Financial Period Ended

30/09/2024

Attachments

[1.VHL 1HFY2025 Results - 1112 1950 Final.pdf](#)

Total size = 747K MB

VALUETRONICS HOLDINGS LIMITED
(Incorporated in Bermuda)
(Co. Reg. No: 38813)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

**A. CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30
SEPTEMBER 2024**

	Note	The Group		
		6 months ended 30 September		
		2024 (Unaudited)	2023 (Unaudited)	Change
		HK\$'000	HK\$'000	%
Revenue	6	862,125	891,349	-3.3
Cost of sales		(717,307)	(752,456)	-4.7
Gross profit		144,818	138,893	4.3
Selling and distribution expenses		(9,193)	(10,476)	-12.2
Administrative expenses		(74,701)	(65,876)	13.4
Other income and gains, net		33,817	28,831	17.3
Operating profit		94,741	91,372	3.7
Finance costs		(285)	(233)	22.3
Profit before income tax		94,456	91,139	3.6
Income tax expense	9	(4,069)	(9,002)	-54.8
Profit for the period		90,387	82,137	10.0
Attributable to:				
Owners of the Company		90,525	82,137	10.2
Minority Interests		(138)	-	NM
Earnings per share for profit attributable to owners of the Company for the period				
		HK cents	HK cents	
- Basic	10	22.1	19.8	11.6
- Diluted	10	22.1	19.8	11.6

B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	The Group		
	6 months ended 30 September		
	2024 (Unaudited)	2023 (Unaudited)	Change
	HK\$'000	HK\$'000	%
Profit for the period	90,387	82,137	10.0
Other comprehensive profit / (loss), net of tax:			
<i>Items that may be reclassified to profit or loss:</i>			
Currency translation differences	817	(10,390)	NM
Total comprehensive income for the period	91,204	71,747	27.1
Attributable to:			
Owners of the Company	91,342	71,747	27.3
Minority Interests	(138)	-	NM

Note:

NM: Not meaningful

C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	Note	The Group		The Company	
		At 30.9.2024 (Unaudited)	At 31.3.2024 (Audited)	At 30.9.2024 (Unaudited)	At 31.3.2024 (Audited)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	303,065	261,883	-	-
Right-of-use assets		39,854	40,536	-	-
Investment in subsidiaries		-	-	83,330	83,330
Deferred tax assets		306	306	-	-
Financial assets at fair value through profit or loss	7	21,143	21,600	-	-
Other non-current assets		15,156	11,505	-	-
Total non-current assets		379,524	335,830	83,330	83,330
Current assets					
Inventories		163,220	173,050	-	-
Trade receivables		427,918	381,905	-	-
Other receivables		7,035	7,049	-	-
Prepayments and other current assets		23,096	26,584	276	417
Due from subsidiaries		-	-	428,907	481,119
Cash and cash equivalents		1,174,508	1,164,480	1,807	3,394
Total current assets		1,795,777	1,753,068	430,990	484,930
Total assets		2,175,301	2,088,898	514,320	568,260
EQUITY					
Share capital	14	43,563	43,563	43,563	43,563
Treasury shares		(79,586)	(78,986)	(79,586)	(78,986)
Reserves		1,456,276	1,435,006	549,781	603,235
Minority Interest		6,162	-	-	-
Total equity		1,426,415	1,399,583	513,758	567,812
LIABILITIES					
Non-current liabilities					
Deferred income tax liabilities		-	-	-	-
Contract liabilities		9,251	4,230	-	-
Total non-current liabilities		9,251	4,230	-	-
Current liabilities					
Trade payables		310,326	237,272	-	-
Other payables and accruals		360,780	375,154	562	448
Contract liabilities		14,217	22,596	-	-
Current income tax liabilities		54,312	50,063	-	-
Total current liabilities		739,635	685,085	562	448
Total liabilities		748,886	689,315	562	448
Total equity and liabilities		2,175,301	2,088,898	514,320	568,260
Net current assets		1,056,142	1,067,983	430,428	484,482
Total assets less current liabilities		1,435,666	1,403,813	513,758	567,812

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

(Unaudited) The Group	Attributable to the owners of the Company									
	Reserves									Total equity
	Share capital	Treasury share	Share premium	Share-based payment reserve	Currency translation reserve	Statutory reserve	Retained earnings	Total reserves	Minority Interests	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2024	43,563	(78,986)	164,515	18,494	(6,574)	5,506	1,253,065	1,435,006	-	1,399,583
Total comprehensive income for the period	-	-	-	-	817	-	90,525	91,342	(138)	91,204
Dividends paid (note 11)	-	-	-	-	-	-	(70,012)	(70,012)	-	(70,012)
Purchase of treasury shares	-	(13,318)	-	-	-	-	-	-	-	(13,318)
Share-based compensation	-	-	-	690	-	-	-	690	-	690
Exercise of share options	-	12,718	4,705	(5,229)	-	-	-	(524)	-	12,194
Forfeiture of share options	-	-	-	(226)	-	-	-	(226)	-	(226)
Minority shareholdings	-	-	-	-	-	-	-	-	6,300	6,300
Changes in equity for the period	-	(600)	4,705	(4,765)	817	-	20,513	21,270	6,162	26,832
Balance at 30 September 2024	43,563	(79,586)	169,220	13,729	(5,757)	5,506	1,273,578	1,456,276	6,162	1,426,415
Balance at 1 April 2023	43,563	(64,504)	164,515	16,768	3,495	5,506	1,192,652	1,382,936	-	1,361,995
Total comprehensive income for the period	-	-	-	-	(10,390)	-	82,137	71,747	-	71,747
Dividends paid (note 11)	-	-	-	-	-	-	(66,209)	(66,209)	-	(66,209)
Purchase of treasury shares	-	(1,431)	-	-	-	-	-	-	-	(1,431)
Share-based compensation	-	-	-	872	-	-	-	872	-	872
Changes in equity for the period	-	(1,431)	-	872	(10,390)	-	15,928	6,410	-	4,979
Balance at 30 September 2023	43,563	(65,935)	164,515	17,640	(6,895)	5,506	1,208,580	1,389,346	-	1,366,974

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024 (CONT'D)

(Unaudited) The Company	Reserves							Total equity
	Share capital	Treasury share	Share premium	Share-based payment reserve	Contributed surplus	Retained earnings	Total reserves	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2024	43,563	(78,986)	164,515	18,494	67,239	352,987	603,235	567,812
Total comprehensive income for the period	-	-	-	-	-	16,618	16,618	16,618
Dividends paid (note 11)	-	-	-	-	-	(70,012)	(70,012)	(70,012)
Purchase of treasury shares	-	(13,318)	-	-	-	-	-	(13,318)
Share-based compensation	-	-	-	690	-	-	690	690
Exercise of share options	-	12,718	4,705	(5,229)	-	-	(524)	12,194
Forfeiture of share options	-	-	-	(226)	-	-	(226)	(226)
Changes in equity for the period	-	(600)	4,705	(4,765)	-	(53,394)	(53,454)	(54,054)
Balance at 30 September 2024	43,563	(79,586)	169,220	13,729	67,239	299,593	549,781	513,758
Balance at 1 April 2023	43,563	(64,504)	164,515	16,768	67,239	328,380	576,902	555,961
Total comprehensive income for the period	-	-	-	-	-	16,301	16,301	16,301
Dividends paid (note 11)	-	-	-	-	-	(66,209)	(66,209)	(66,209)
Purchase of treasury shares	-	(1,431)	-	-	-	-	-	(1,431)
Share-based compensation	-	-	-	872	-	-	872	872
Changes in equity for the period	-	(1,431)	-	872	-	(49,908)	(49,036)	(50,467)
Balance at 30 September 2023	43,563	(65,935)	164,515	17,640	67,239	278,472	527,866	505,494

E. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	The Group	
	6 months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
	HK\$'000	HK\$'000
Cash flows from operating activities		
Profit before income tax	94,456	91,139
Adjustments for :		
Depreciation of the right-of-use assets	525	548
Depreciation on property, plant and equipment	18,985	22,789
Loss / (gain) on disposals of property, plant and equipment	185	(3)
Share-based compensation	690	872
Interest income, net	(30,305)	(25,640)
	84,536	89,705
Changes in working capital:		
Inventories	9,830	16,100
Trade receivables	(46,013)	78,829
Other receivables	14	(3,468)
Prepayments and other current assets	(161)	(7,535)
Trade payables	73,054	57,636
Other payables and accruals	(14,374)	(34,026)
Contract liabilities	(3,358)	(1,337)
Net cash generated from operations	103,528	195,904
Income tax paid	-	(2,767)
Net cash generated from operating activities	103,528	193,137
Cash flows from investing activities		
Purchase of property, plant and equipment	(50,830)	(14,134)
Proceeds from disposals of property, plant and equipment	-	478
Interest received	30,305	25,640
Net cash (used in) / generated from investing activities	(20,525)	11,984
Cash flows from financing activities		
Dividend paid	(70,012)	(66,209)
Purchase of treasury shares	(13,318)	(1,431)
Proceeds from exercise of share options	12,194	-
Net cash used in financing activities	(71,136)	(67,640)
Net increase in cash and cash equivalents	11,867	137,481
Effect of foreign exchange rate changes	(1,839)	(4,244)
Cash and cash equivalents at beginning of the period	1,164,480	1,009,930
Cash and cash equivalents at end of the period	1,174,508	1,143,167

F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Valuetronics Holdings Limited (the "Company") (Registration number: 38813) was incorporated in Bermuda on 18 August 2006 under the Companies Act 1981 of Bermuda as an exempted company with limited liability. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda. The address of its principal place of business is Unit 9-11, 7/F., Technology Park, No. 18 On Lai Street, Shatin, New Territories, Hong Kong. The Company's shares are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). These condensed interim consolidated financial statements as at and for the six months ended 30 September 2024 comprise the Company and its subsidiaries (collectively, the Group). The Group is a vertically integrated Electronics Manufacturing Services ("EMS") provider.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 15 to the annual financial statements for the year ended 31 March 2024.

These condensed interim consolidated financial statements have been presented in thousands of HK dollar ("HK\$") unless otherwise stated.

The condensed interim consolidated financial statements have not been audited or reviewed by the Company's auditors.

2 Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 September 2024 has been prepared in accordance with IAS 34, "Interim financial reporting". The condensed interim financial statements do not include all the information required for a complete set of financial statements. Accordingly, the condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2024, which have been prepared in accordance with the International Financial Reporting Standards ("IFRSs").

3 Accounting policies

In addition to those described below, the accounting policies applied are consistent with those of the annual financial statements for the financial year ended 31 March 2024, as described in those annual financial statements.

(a) Adoption of new and amended standards

The Group has adopted the following new/revised standards and amendments to standards which are mandatory for the financial year beginning on or after 1 April 2024:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 & IFRS 7	Supplier Finance Arrangements
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	Climate-related Disclosures

The adoption of the above does not have any significant impact to the results and financial position of the Group and the Company.

F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3 Accounting policies (Continued)

(b) New standards and interpretations not yet effective

The following are new standards and amendments to existing standards that have been published and are relevant and mandatory for the Group's accounting periods beginning on or after 1 April 2025 or later periods, but have not been early adopted by the Group.

Amendments to IAS 21	Lack of Exchangeability ⁽¹⁾
Amendments to IFRS 9 & IFRS 7	Classification and Measurement of Financial Instruments ⁽²⁾
IFRS 18	Presentation and Disclosure in Financial Statements ⁽³⁾
IFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽³⁾
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁴⁾

⁽¹⁾ Effective for the accounting period beginning on or after 1 April 2025

⁽²⁾ Effective for the accounting period beginning on or after 1 April 2026

⁽³⁾ Effective for the accounting period beginning on or after 1 April 2027

⁽⁴⁾ Effective date to be determined

4 Estimates

The preparation of condensed interim consolidated financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were mostly same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

5 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2024.

There have been no significant changes in any risk management policies since the year ended 31 March 2024.

F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6 Revenue and segment information

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

During the period the Group has two reportable segments as follows:

- Consumer Electronics – consumer electronics products
- Industrial and Commercial Electronics – industrial and commercial electronics products

(Unaudited)	Consumer Electronics HK\$'000	Industrial and Commercial Electronics HK\$'000	Total HK\$'000
For the six months ended 30 September 2024			
Revenue (from external customers)	193,438	668,687	862,125
Timing of revenue recognition			
- at a point in time	192,816	661,046	853,862
- over time	622	7,641	8,263
Segment profit	12,125	126,612	138,737
For the six months ended 30 September 2023			
Revenue (from external customers)	234,758	656,591	891,349
Timing of revenue recognition			
- at a point in time	234,731	651,356	886,087
- over time	27	5,235	5,262
Segment profit	19,868	114,927	134,795

F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6 Revenue and segment information (Continued)

The revenue from external parties reported is measured in a manner consistent with that in the condensed interim consolidated income statement.

Reconciliation of segment profit to profit for the period:

	For the six months ended 30 September	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Segment profit	138,737	134,795
Unallocated corporate (expenses) / income		
- staff costs	(54,763)	(56,731)
- income tax expense	(4,069)	(9,002)
- others	10,482	13,075
Profit for the period	90,387	82,137

Geographical information:

	Revenue		Non-current assets (other than financial instruments)	
	For the six months ended 30 September		As at 30 September 2024	As at 31 March 2024
	2024	2023		
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000
United States of America	364,911	328,340	-	-
People's Republic of China (the "PRC")	122,455	174,428	80,989	97,035
Poland	104,482	88,778	-	-
Canada	66,640	14,008	-	-
Netherlands	47,835	53,104	-	-
Hong Kong	45,745	59,776	87,715	16,685
Indonesia	33,931	19,758	-	-
Taiwan	22,764	69,764	-	-
France	10,841	42,087	-	-
South Korea	114	4,194	-	-
Germany	4	3,975	-	-
Vietnam	-	-	189,371	200,510
Other countries	42,403	33,137	-	-
Total	862,125	891,349	358,075	314,230

F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

7 Fair value measurement of financial instruments

The table below analyses the Group's financial instruments carried at fair value as at 30 September 2024 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 30 September 2024 (Unaudited)				
Financial assets at fair value through profit or loss("FVPL")	-	-	21,143	21,143
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2024 (Audited)				
Financial assets at FVPL	-	-	21,600	21,600
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

There were no transfers between different levels during the six months ended 30 September 2024.

The carrying amounts of the Group's current financial assets including cash and cash equivalents, and trade and other receivables, and the Group's current financial liabilities including trade and other payables, approximate their fair values.

8 Profit before taxation

The Group's profit before income tax is arrived at after (crediting)/charging:

	For the six months ended 30 September	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Income		
Interest income	(30,305)	(25,640)
Expenses		
Depreciation on property, plant and equipment	18,985	22,789
Depreciation of right-of-use assets	525	548
Finance costs	285	233
Other income and gains, net		
Loss / (gain) on disposal of property, plant and equipment	185	(3)
Net exchange gains	(2,418)	(1,420)

F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

9 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated income statement are:

	For the six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax charge		
- Hong Kong profits tax	4,069	9,002
- PRC enterprise income tax	-	-
Deferred tax credit	-	-
	<u>4,069</u>	<u>9,002</u>

10 Earnings per share

	For the six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
Earnings per ordinary share based on the net profit for the period (HK cents)		
- Based on weighted average number of ordinary shares on issue	22.1	19.8
- On a fully diluted basis	22.1	19.8
Number of ordinary shares in issue (excluding treasury shares)		
- Weighted average number of ordinary shares for the purpose of basic earnings per share	409,599,009	413,821,109
- Effect of potentially dilutive ordinary shares – Share options	782,573	338,226
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>410,381,582</u>	<u>414,159,335</u>

F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

11 Dividends

	For the six months ended 30 September	
	2024	2023
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Final dividend attributable to the previous financial year, paid of HK\$17.0 cents (for the six months ended 30 September 2023: HK\$16.0 cents) per ordinary share	70,012	66,209

(a) Current Financial Period Reported On

Name of Dividend	Interim	Special
Dividend Type	Cash	Cash
Dividend Amount per Share (in HK cents)	HK 4 cents per ordinary share	HK 4 cents per ordinary share
Tax Rate	Not applicable	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	Interim	Special
Dividend Type	Cash	Cash
Dividend Amount per Share (in HK cents)	HK 4 cents per ordinary share	HK 4 cents per ordinary share
Tax Rate	Not applicable	Not applicable

(c) Date payable

The interim dividend will be paid on 6 December 2024.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 27 November 2024 for the preparation of dividend warrants.

Duly completed and registrable transfers received by the Company's Share Transfer Agent, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to the close of business at 5.00 p.m. on 26 November 2024 will be registered to determine shareholders' entitlements to the interim dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 26 November 2024 will be entitled to the interim dividend and special dividend.

(e) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

Not applicable.

F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

12 Net asset value

	The Group		The Company	
	As at 30 September 2024	As at 31 March 2024	As at 30 September 2024	As at 31 March 2024
	(Unaudited) HK\$	(Audited) HK\$	(Unaudited) HK\$	(Audited) HK\$
Net asset value per ordinary share based on issued share capital excluding treasury shares at the end of the period	3.5	3.4	1.4	1.4
Number of ordinary shares in issue excluding treasury shares	409,854,237	409,405,337	409,854,237	409,405,337

13 Property, plant and equipment

During the six months ended 30 September 2024, the additions to property, plant and equipment of the Group was HK\$57,131,000 (corresponding period in 2023: HK\$8,328,000).

14 Share capital

There were no changes in the Company's issued share capital during the period 1 April 2024 to 30 September 2024. During the six months ended 30 September 2024, the Company had bought back an aggregate of 3,736,100 shares, which have been held as treasury shares.

As at 30 September 2024, the number of ordinary shares in issue was 435,630,837 of which 25,776,600 were held by the Company as treasury shares (equivalent to 6.29% of the total number of issued shares excluding treasury shares of 409,854,237). The share capital was HK\$43.6 million.

As at 31 March 2024, the number of ordinary shares in issue was 435,630,837 of which 26,225,500 were held by the Company as treasury shares (equivalent to 6.41% of the total number of issued shares excluding treasury shares of 409,405,337). The share capital was HK\$43.6 million.

As at 30 September 2023, the number of ordinary shares in issue was 435,630,837 of which 22,195,200 were held by the Company as treasury shares (equivalent to 5.37% of the total number of issued shares excluding treasury shares of 413,435,637). The share capital was HK\$43.6 million.

There was no subsidiary holding as at 30 September 2024, 31 March 2024 and 30 September 2023.

There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

(a) Share options

As at 30 September 2024, the Company has the following outstanding share options:

<u>Employee Share Option Scheme</u>	<u>Exercise Price</u>	<u>As at 31 March 2024</u> (Audited)	<u>Exercised</u>	<u>Forfeited</u>	<u>As at 30 September 2024</u> (Unaudited)
Incentive Options	S\$0.268*#	27,500	-	-	27,500
	S\$0.379*#	132,000	(55,000)	(22,000)	55,000
	S\$0.701#	2,770,000	-	(70,000)	2,700,000
	S\$0.530#	2,165,000	(1,410,000)	(20,000)	735,000
	S\$0.570#	2,990,000	(520,000)	(20,000)	2,450,000
	S\$0.460#	2,400,000	(2,070,000)	-	330,000
	S\$0.530	1,890,000	(130,000)	-	1,760,000
	S\$0.490	1,300,000	-	-	1,300,000
	S\$0.518	1,800,000	-	(30,000)	1,770,000
Total		15,474,500	(4,185,000)	(162,000)	11,127,500

F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

14 Share capital (Continued)

(a) Share options (Continued)

As at 30 September 2023, the Company has the following outstanding share options:

<u>Employee Share Option Scheme</u>	<u>Exercise Price</u>	<u>As at 31 March 2023</u> (Audited)	<u>Additions</u>	<u>As at 30 September 2023</u> (Unaudited)
Incentive Options	S\$0.268*#	27,500	-	27,500
	S\$0.379*#	132,000	-	132,000
	S\$0.701#	2,770,000	-	2,770,000
	S\$0.530#	2,165,000	-	2,165,000
	S\$0.570#	2,990,000	-	2,990,000
	S\$0.460#	2,400,000	-	2,400,000
	S\$0.530	1,890,000	-	1,890,000
	S\$0.490	1,300,000	-	1,300,000
	S\$0.518	-	1,800,000	1,800,000
Total		13,674,500	1,800,000	15,474,500

* Following the completion of the 1-for-10 bonus issue on 5 June 2017, the number of outstanding share options held by each holder would be adjusted upward by 10% and their respective exercise prices would be adjusted downward by 10% as a result.

The Incentive Options were issued at a discount of not more than 20% to the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding the date of grant of the respective Options.

(b) Performance share plan

The Company has no outstanding performance shares as at 30 September 2024, 31 March 2024 and 30 September 2023.

15 Capital commitments

The Group has the following capital commitments at the end of the financial period:

	<u>As at 30 September 2024</u> (Unaudited) HK\$'000	<u>As at 31 March 2024</u> (Audited) HK\$'000
Acquisition of property, plant and equipment - contracted but not provided for	1,122	2,086

16 Related party transactions

During the six months ended 30 September 2023 and 2024, there were no related party transactions that required disclosure in accordance with IAS 24 - Related Party Disclosures.

The company has evaluated its transactions and relationships with its directors, key management personnel, shareholders, and other entities that meet the definition of related parties and confirms that no transactions, balances, or commitments exist that would be deemed related party transactions under the applicable accounting standards.

F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

17 Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

<u>As at 30 September 2024</u>		<u>As at 31 March 2024</u>	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nil	Nil	Nil	Nil

(b) Amount repayable after one year

<u>As at 30 September 2024</u>		<u>As at 31 March 2024</u>	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nil	Nil	Nil	Nil

(c) Details of any collateral

None.

18 Subsequent event

There is no known subsequent event which has led to adjustment on this set of condensed interim consolidated financial statements.

G. OTHER INFORMATION

- 1 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) 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; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Valuetronics is an Electronic Manufacturing Service ("EMS") provider, which focuses on the design and development of products that meet the ever-changing customers' needs. We are the preferred choice of some successful global companies involved in consumer electronics as well as industrial and commercial electronics products, with core competencies ranging from tool fabrication, injection moulding, metal stamping, machining, surface mount technology ("SMT") and finished product assembly on full turnkey basis.

The Group classified its EMS business into 2 reportable segments, namely consumer electronics products ("Consumer Electronics" or "CE") and industrial and commercial electronics products ("Industrial and Commercial Electronics" or "ICE").

Review – 6 months ended 30 September 2024 ("1H FY2025") vs 6 months ended 30 September 2023 ("1H FY2024")

Revenue

Revenue decreased by 3.3% or HK\$29.2 million from HK\$891.3 million in 1H FY2024 to HK\$862.1 million in 1H FY2025.

Industrial and Commercial Electronics revenue increased by 1.8% to HK\$668.7 million (1H FY2024: HK\$656.6 million). Growth in this segment was primarily driven by revenue contributions from new customers, which offset the decrease in demand from some existing customers.

Consumer Electronics revenue decreased by 17.6% to HK\$193.4 million (1H FY2024: HK\$234.7 million), which was mainly due to the softening demand in end-markets.

Gross profit and gross profit margin

Gross profit increased by 4.3% to HK\$144.8 million (1H FY2024: HK\$138.9 million).

Gross profit margin improved to 16.8% (1H FY2024: 15.6%), driven by a shift in sales mix and reduced material costs as component shortages eased. Furthermore, labour costs in China decreased due to the depreciation of the Renminbi.

Other income and gains, net

Other income increased by 17.3% to HK\$33.8 million (1H FY2024: HK\$28.8 million), which was mainly due to the increase in interest income in which US Fed lifted the interest rate.

Selling and distribution expenses

Selling and distribution expenses decreased by 12.2% to HK\$9.2 million (1H FY2024: HK\$10.5 million), primarily due to changes in the customer portfolio mix.

Administrative expenses

Administrative expenses increased by 13.4% to HK\$74.7 million (1H FY2024: HK\$65.9 million), mainly due to the Group's expanding operations, including activities in Vietnam and new investments in a joint venture focused on providing GPU chips and AI-related value-added cloud services.

Profit for the period

As a result of the above, the net profit for the period increased by 10.0% to HK\$90.4 million (1H FY2024: HK\$82.1 million).

G. OTHER INFORMATION (CONT'D)

Financial position and cash flows

As at 30 September 2024, the Group had net current assets of HK\$1,056.1 million (31 March 2024: HK\$1,068.0 million), total assets of HK\$2,175.3 million (31 March 2024: HK\$2,088.9 million) and shareholders' funds of HK\$1,426.4 million (31 March 2024: HK\$1,399.6 million).

The Group's trade receivables increased by HK\$46.0 million from HK\$381.9 million as at 31 March 2024 to HK\$427.9 million as at 30 September 2024. The Group's trade payables increased by HK\$73.0 million from HK\$237.3 million as at 31 March 2024 to HK\$310.3 million as at 30 September 2024. The Group's inventories decreased by HK\$9.9 million from HK\$173.1 million as at 31 March 2024 to HK\$163.2 million as at 30 September 2024.

The working capital of the Group as at 30 September 2024, which is the sum of trade receivables and inventories less trade payables, was HK\$280.8 million (31 March 2024: HK\$317.7 million). The decrease in net working capital, reflecting the movement in trade receivables, inventories and trade payables, was mainly due to better working capital management.

The Group had no bank borrowings as at 30 September 2024 (31 March 2024: Nil).

As at 30 September 2024, the Group had cash and cash equivalents of HK\$1,174.5 million (31 March 2024: HK\$1,164.5 million). Over 97% of its cash and cash equivalents were placed in reputable financial institutions in Hong Kong and Singapore. For the remaining balance, mainly in PRC and Vietnam, the cash and cash equivalents were placed in equivalent reputable financial institutions. The cash and cash equivalents are annually audited by the Group's auditors, PricewaterhouseCoopers.

2 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement was previously disclosed to shareholders.

3 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 each outstanding audit issue.**
- (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.

Not applicable as the Group's latest audited financial statements for the financial year ended 31 March 2024 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

G. OTHER INFORMATION (CONT'D)

4 **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 operating period and the next 12 months**

The macroeconomic environment for the current period remained challenging, with persistent global inflationary pressures, a slower-than-anticipated pace of interest rate cuts, and heightened geopolitical instability, including the recent conflict in the Middle East. These factors created a difficult backdrop for consumer demand and business spending.

Despite a decline in revenue, the Group achieved an increase in both gross profit margin and net profit for the period. This improvement reflects our strategic focus on acquiring new customers and rebalancing our product portfolio toward higher-margin offerings. Notably, there was encouraging revenue contribution from a new Industrial and Commercial Electronics (ICE) customer, a network access solutions provider based in Canada acquired in FY2024. Together with other new customers, these revenue streams offset reduced demand from a Consumer Electronics (CE) customer focused on traditional consumer lifestyle products. Additionally, improvements in the component supply chain and the depreciation of the Renminbi supported further gains in gross profit margin.

Looking ahead, the Group will continue to explore new opportunities with existing clients while expanding its customer base. Strategic diversification, including our integrated manufacturing solutions in Vietnam, enhance our ability to respond to evolving demands and geopolitical uncertainties. Supported by these initiatives and barring unforeseen circumstances, the Group expects to remain profitable for FY2025.

To harness opportunities in the Artificial Intelligence ("AI") industry, the Group established Trio AI Limited ("Trio AI" or "JV"), a 55%-owned joint venture with Sinnet Cloud HK Limited, in June 2024. Trio AI provides Graphics Processing Unit ("GPU") and AI-related value-added cloud services in Hong Kong, supported by GPU chips and ancillary hardware leased from Computing Assets Limited ("CAL"), the Group's wholly owned subsidiary. In September 2024, the first 250 GPUs and ancillary hardware were installed, making it fully ready for customer trials and commercial operations. The Group recently ordered an additional 750 GPUs and ancillary hardware to bring total capacity to over 1,000 GPUs. This pivotal expansion positions the JV to attract high-value clients, including AI research institutions, universities, financial institutions, and autonomous systems developers, while enabling Trio AI to offer premium services that support cutting-edge AI advancements.

To increase shareholders' value and improve the return on equity of the Group, a HK\$250 million Share Buyback Program was announced on 28 February 2022. Since then, HK\$92.2 million has been utilized to repurchase an aggregate of 30.0 million company shares. The Group intends to continue with the Share Buyback Program.

The Board of Directors would like to declare an interim dividend of HKD 4 cents per share. In addition, a special interim dividend of HKD 4 cents per share is also declared to reward shareholders for continuous support on the Group by sharing the improved interest income, which the Group has earned (due to the higher interest rate environment) during this interim period.

- 5 If the Group has obtained a general mandate from shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”). If not IPT mandate has been obtained, a statement to that effect.**

The Company does not have a Shareholders' Mandate for IPTs.

- 6 Confirmation by the Company Pursuant to Rule 720(1) of the Listing Manual of SGX-ST**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the Listing Rules of the SGX-ST.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF SGX-ST

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim consolidated financial statements for the half year ended 30 September 2024 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of
Valuetronics Holdings Limited

Tse Chong Hing
Chairman and Managing Director
13 November 2024

Chow Kok Kit
Executive Director