ANNUAL REPORTS AND RELATED DOCUMENTS::

Issuer & Securities

Issuer/ Manager
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Securities
VALUETRONICS HOLDINGS LIMITED - BMG9316Y1084 - BN2

Stapled Security
No

Announcement Details

Announcement Title
Annual Reports and Related Documents

Date &Time of Broadcast
08-Jul-2026 06:29:39

Status
New

Report Type
Sustainability Report

Announcement Reference
SG260708OTHRS5GT

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)
The Sustainability Report for FY2026 is attached.

Additional Details

Period Ended
31/03/2026

Attachments

Valuetronics Sustainability Report FY2026.pdf

Total size =23555K MB

valuetronics

VALUETRONICS HOLDINGS LIMITED



SUSTAINABILITY REPORT 2026

TABLE OF **CONTENTS**

01 ABOUT THIS REPORT

02 BOARD STATEMENT ON SUSTAINABILITY

03 ORGANISATIONAL PROFILE

04 OUR APPROACH TO SUSTAINABILITY

07 ECONOMIC

09 ENVIRONMENTAL

11 SOCIAL

14 GOVERNANCE

16 CLIMATE-RELATED DISCLOSURES

20 GRI CONTENT INDEX

ABOUT THIS REPORT

We are pleased to present Valuetronics Holdings Limited's (the "**Company**", and together with its subsidiaries, the "**Group**") annual Sustainability Report ("**Report**"), for our financial year ended 31 March 2026 ("**FY2026**"). This Report is set out on a "comply or explain" basis in accordance with Rule 711A and 711B and Practice Note 7.6 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual on Continuing Listing Obligations.

This Report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards 2021. GRI is the most widely adopted global standards for sustainability reporting, and it provides businesses and organisations worldwide with a framework to measure, understand and communicate their critical sustainability issues on economic, environmental, social and governance impacts to stakeholders.

Singapore Exchange ("**SGX**") requires all listed issuers to disclose Scope 1 and Scope 2 greenhouse gases ("**GHG**") emissions for financial years commencing on or after 1 January 2025, it has also proposed a phased implementation of International Financial Reporting Standards ("**IFRS**") Sustainability Disclosure Standards ("**SDS**"), collectively referred to as "**IFRS SDS**" issued by the International Sustainability Standards Board ("**ISSB**"), including IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures, with timelines calibrated according to issuer size and regulatory readiness.

In anticipation of these evolving requirements, the Group has proactively strengthened its data quality, governance, and internal capabilities ahead of mandatory implementation. This includes disclosing the Group's Scope 1 and Scope 2 GHG emissions and has considered the illustrative possible phased introduction by SGX to tackle the up-and-coming IFRS SDS requirements.

This Report highlights the key economic, environmental, social and governance ("**EESG**") related initiatives carried out throughout a 12-month period, being FY2026.

The Group's Report summarises the expectations from various stakeholders, general business environment that the Group is operating in and what the Group has done in order to ensure the sustainability of the Group over the years. The data, statistics and targets in this Report are in relation to the Group's entire operations in China, Hong Kong and Vietnam.

We have relied on our internal sources of information and verification mechanisms to ensure the accuracy of this Report and have engaged a professional accounting firm to conduct an internal review of our sustainability reporting process. There was no external assurance obtained for this reporting year, and we may consider seeking an independent assurance review in the future.

We welcome feedback from our stakeholders with regard to our sustainability efforts as this enables us to improve our policies, systems and results. Please send your comments and suggestions to **contact@valuetronics.com.hk**.



BOARD STATEMENT ON SUSTAINABILITY

Sustainability is a part of the Group's wider strategy to create long-term value for all its stakeholders.

The Board of Directors of the Company (the "**Board**") oversees the management and monitoring of these factors and takes them into consideration when determining the Group's strategic direction and policies. At the time of reporting, the key material EESG factors for the Group have been identified and reviewed by the top management of the Group.

The Board is supported by the Sustainability Management Committee ("**SMC**") which is headed by the Chief Financial Officer ("**CFO**"). SMC comprises of senior executives from various departments. The Board works closely with the SMC, who play a vital role to establish sustainability targets, develop strategic plans, manage and monitor overall sustainability performance, and report to the Board. It ensures sustainability remains a core priority by periodically evaluating practices, execution and alignment with organisational goals. The SMC is supported by the operation team, which is responsible for assisting SMC in coordinating the implementation and execution of the sustainability programme across the organisation.

As climate change continues to affect many industries, we are seeing an increased need for transparency around its potential risks and opportunities. The impacts of climate change are felt across businesses, and therefore it is important to consider how we are transitioning towards a low-carbon economy.

We incorporated our Group's sustainability performance, including but not limited to climate risks and opportunities within this Report and assessed the resilience and climate-related impacts according to the Task Force on Climate-related Financial Disclosures ("**TCFD**") Recommendations. We hope to phase our approach to disclosing our progress and continue taking an active involvement in managing climate-related risks and opportunities in this journey.

We are pleased to announce that the Board has attended a comprehensive sustainability training prescribed by the SGX. The training was aimed at equipping our Board members with the knowledge and skills necessary to integrate sustainability principles into our corporate strategy.

26 June 2026



ORGANISATIONAL PROFILE



Established in 1992 and listed on the SGX Mainboard in 2007, the Group is headquartered in Hong Kong and is a one-stop manufacturing solution provider that offers vertical integrated services under one roof. This capability sets the Group apart from traditional Electronics Manufacturing Services ("**EMS**") providers as it gives its customers the advantage of a faster time-to-market, better quality control, and most importantly, a competitive total cost of ownership.

The Group's proactive customer-centric philosophy and ability to engage, understand market and industry trends, and initiate product-oriented solutions that support its customers' ever-changing needs, has resulted in lasting partnerships with some of the world's leading brands across various sectors and a wide geographical reach that covers America, Europe and Asia Pacific.

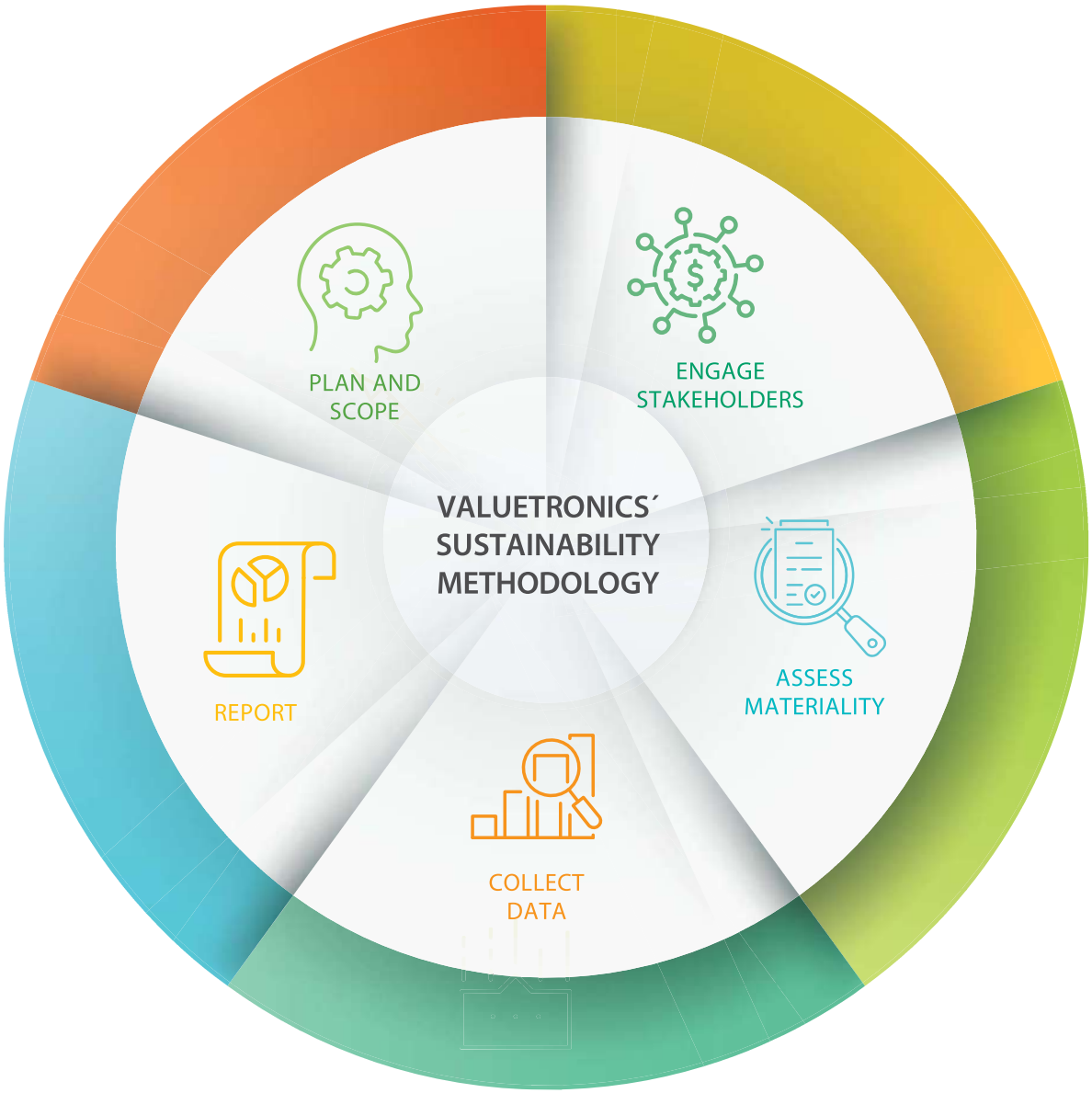
Valuetronics' wide product manufacturing capability and range of customers from emerging enterprises to top global multinational corporations, are a testimony to the success of its customer-centric philosophy. It also highlights the Group's ability to accommodate customers' requirements for various volume mix, complexity and industrial standards, while demonstrating a broad spectrum of competence.

Valuetronics has two principal business segments, namely Consumer Electronics ("**CE**") Products and Industrial and Commercial Electronics ("**ICE**") Products. Together, the two segments serve a diversified customer base across multiple industries, and cover an expanding range of electronics products that include new era products such as cooling solutions for high performance computing environments, network access solutions, hardware solutions for retail chains and the entertainment industry, as well as smart lighting, printers, temperature sensing devices, telecommunication and network equipment and automotive parts.

Aligned to its multi-location strategy, Valuetronics' two manufacturing facilities are located in the manufacturing powerhouses of China and Vietnam. Its 110,000 m^2 China Campus is located at Huizhou City, Guangdong Province, close to Shenzhen, while its 52,541 m^2 Vietnam Campus is in Phu Tho Province, close to Hanoi. The two campuses enable the Group to offer diversified manufacturing solutions that are tied to the latest technological advancements.



OUR APPROACH TO SUSTAINABILITY



OUR APPROACH TO SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

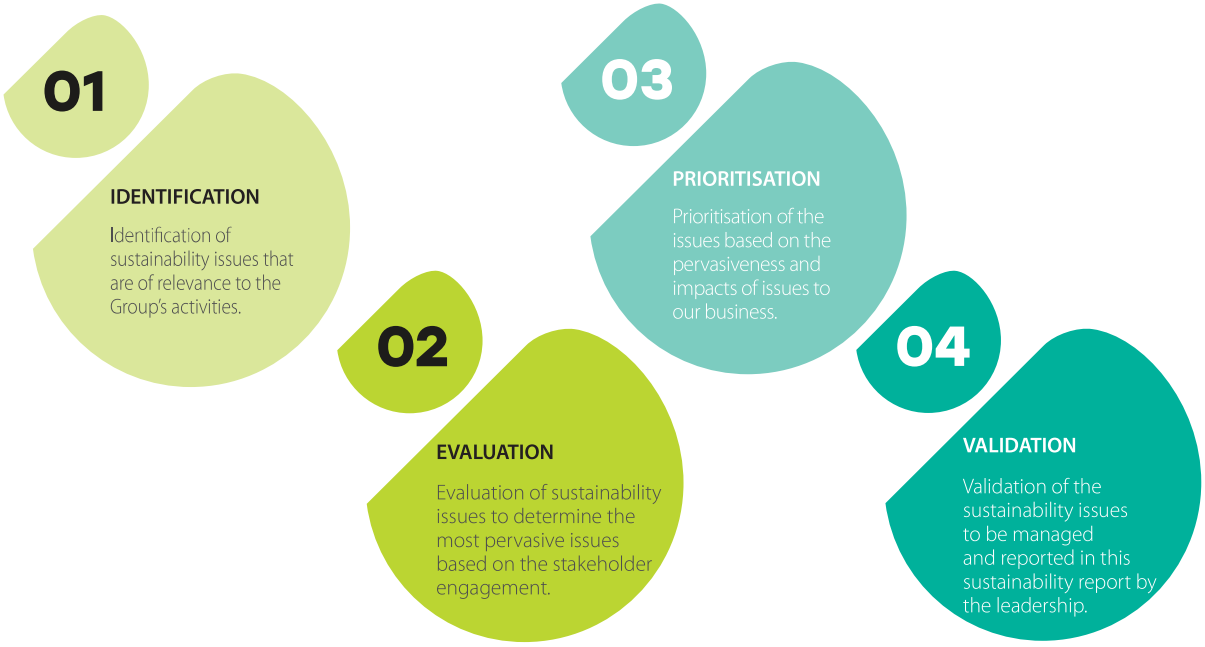
An important starting point in our sustainability journey is to identify our stakeholders and the material aspects relevant to our business. Regular engagement with our stakeholders provides a core input for determining our material focus areas. We engage both internal and external stakeholders to understand their concerns and emerging priorities. This enables us to initiate collaboration and be part of formulating or facilitating solutions. These key stakeholders include, but are not limited to, customers, suppliers, employees, investors, and local government. We adopt both formal and informal channels of communication to understand the needs of our key stakeholders and incorporate their feedback into the evolution of corporate strategies to achieve mutually beneficial relationships.

STAKEHOLDER	ENGAGEMENT	FREQUENCY OF ENGAGEMENT	KEY TOPICS OF INTEREST
EMPLOYEES	• Orientation training for new recruits • Annual performance review & appraisals • Team-building events • Townhall sessions • Electronic communication & notice board	• Throughout the year	• Occupational health and safety • Remuneration and benefits • Training and development • Fair employment practices and policies
CUSTOMERS	• Business review • Customer visits • Executive dialogue	• Throughout the year	• Quality of products • No child labour policy • Compliance with environmental laws and regulations
SUPPLIERS AND SERVICE PROVIDERS	• Supplier surveys • Business meetings with critical suppliers • Supplier factory audit	• Throughout the year	• Supplier environmental assessment
INVESTORS/ SHAREHOLDERS	• Analysts meeting • Corporate day for institutional investors • Web portal & email • Annual General Meeting • Group Annual Report and Sustainability Report	• Throughout the year • Annually	• Profitability and shareholder returns • Anti-corruption • Business Ethics • Compliance with rules and regulations
LOCAL COMMUNITIES	• Participation in volunteer community service	• Throughout the year	• Socially responsible corporate citizen and building community support
LOCAL GOVERNMENT	• Participation in government agencies' seminars on policy updates • On-site advisory visits • Regular reports	• Throughout the year	• Maintaining good corporate governance standard • Environmental compliance • Health and safety regulations compliance

OUR APPROACH TO SUSTAINABILITY

MATERIALITY ASSESSMENT

Our sustainability process begins with the identification of sustainability issues surrounding our business. We then evaluated and prioritised the issues that are most pervasive and relevant to our business. We disclose the prioritised issues in our Report of which their inter-relationships are shown below:



A materiality assessment is conducted every year, incorporating inputs from our various stakeholder engagements. The Group has conducted a materiality assessment during the year. In order to determine if a sustainability issue is material, we assessed its potential impact on the economy, environment, society and governance pillars of the Group as well as its influence on our stakeholders. Sustainability issues were identified and prioritised through internal workshops, peer reviews and social impact assessments at site level. Applying the guidance from GRI and consultation with stakeholders, we have reassessed and identified the following material aspects to focus on this year.

ECONOMIC

 ECONOMIC	 ENVIRONMENTAL	 SOCIAL	 GOVERNANCE
• Economic performance • Anti-corruption	• Energy • Emissions • Supplier environmental assessment	• Diversity and equal opportunity • Fair employment • Child labour • Occupational health and safety • Training and education • Local communities	• Sustainability governance • Enterprise risk management • Business ethics and compliance • Environmental compliance • Socioeconomic compliance
>> Page 07	>> Page 09	>> Page 11	>> Page 14

ECONOMIC

ECONOMIC PERFORMANCE

FY2026 underscored the resilience of our business fundamentals. Despite a minor revenue drop, the strategic change in sales mix lifted gross profit and margins, while our strong cash position and debt-free balance sheet enabled meaningful return to shareholders. We remain committed to sustainable value creation, prudent stewardship and long-term shareholder value.

MR RICKY TSE CHONG HING
Chairman and Managing Director

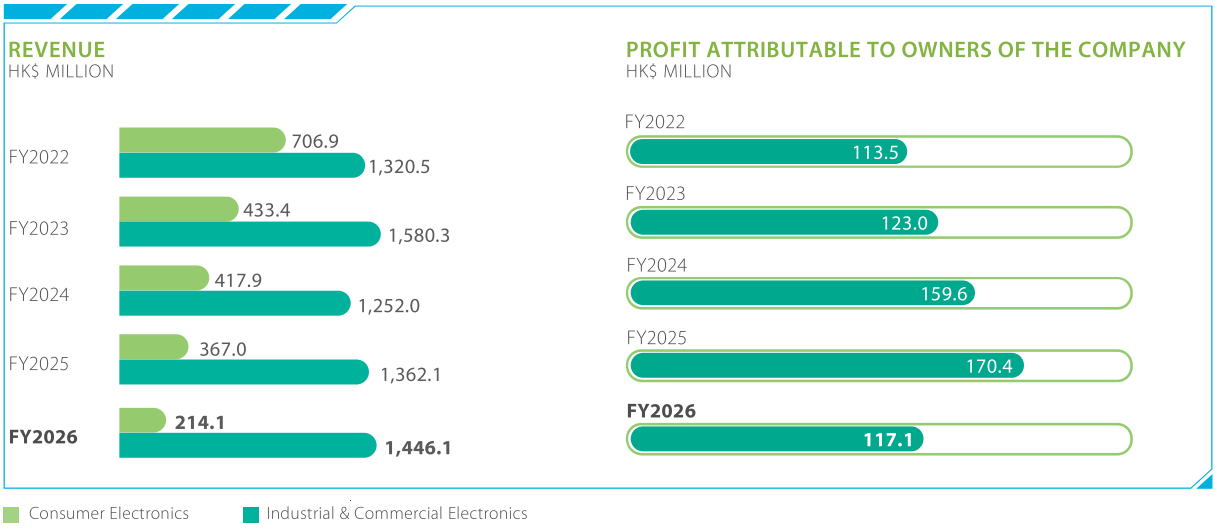
Considering its FY2026 results performance, the Board proposed a Final Dividend of HK 14.0 cents per share and a Special Dividend of HK 16.0 cents per share for FY2026, which are subject to shareholders' approval at the Annual General Meeting to be convened. The Company has also paid an Interim Dividend of HK 4.0 cents per share and Special Interim Dividend of HK 4.0 cents per share in December 2025 and in aggregate, the Interim, Final and Special dividends amount to HK 38.0 cents per share (FY2025: HK 27.0 cents per share).

In tandem with our capital return programme, the Board has adopted a revised Dividend Policy with effect from 28 May 2026. Under the new policy, the Group targets an annual ordinary dividend payout of 50% to 70% of net profit attributable to shareholders in any financial year. This is a significant uplift from the previous range of 30% to 50% that had been in place since 2014.

This revision reflects the Board's long-term commitment to rewarding shareholders while maintaining a prudent approach to capital allocation.

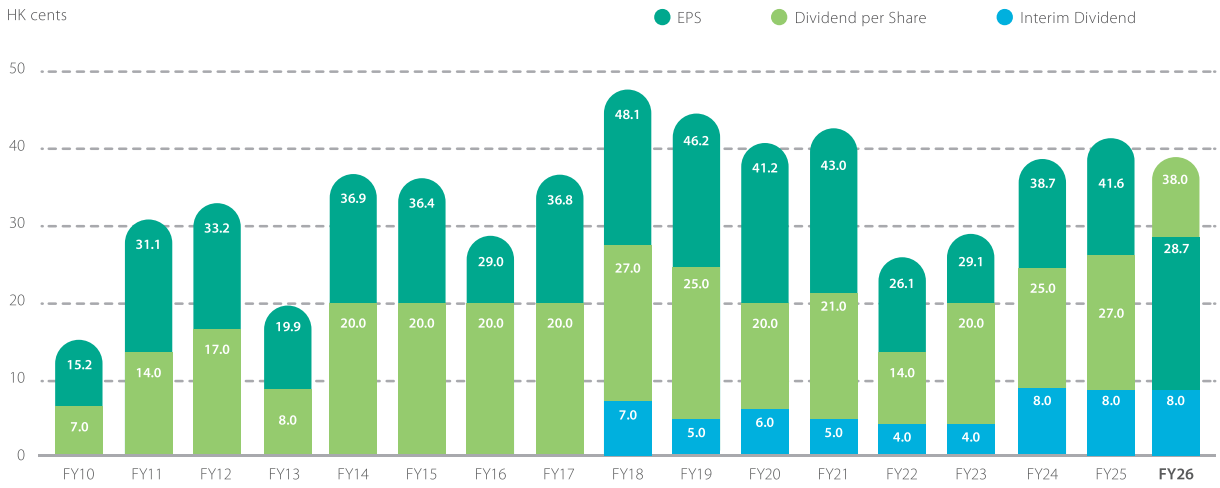
The Group's FY2026 revenue decreased by 4.0% to HK$1,660.2 million from HK$1,729.1 million in FY2025. Gross profit increased by 6.3% to HK$312.1 million in FY2026 from HK$293.7 million in FY2025, with gross profit margin increasing by 1.8 percentage point to 18.8% for FY2026 due to a shift in sales mix. As a result, Valuetronics achieved a net profit attributable to shareholders of HK$117.1 million for FY2026, which translates into earnings per share of approximately HK 28.7 cents.

As at 31 March 2026, the Group's financial position remains stable and resilient with a net asset value per share (excluding treasury shares) of HK$3.6 (31 March 2025: HK$3.6). The Group has net current assets of HK$1,048.6 million (31 March 2025: HK$952.9 million), total assets of HK$2,184.1 million (31 March 2025: HK$2,183.8 million) and shareholders' funds of HK$1,469.3 million (31 March 2025: HK$1,456.1 million). Supported by strong operating cash flows, the Group continues to have no bank borrowings and has cash and cash equivalents of HK$1,213.8 million as at 31 March 2026 (31 March 2025: HK$1,093.8 million).



ECONOMIC

EARNINGS PER SHARE (EPS) AND DIVIDENDS PER SHARE



For our detailed financial results, please refer to the following sections in our FY2026 Annual Report:

- Financial Highlights, page 4
- Financial Review, pages 5 to 7
- Financial Statements, pages 47 to 91

In financial year ending 31 March 2027 ("**FY2027**"), we target to remain profitable and maintain the existing dividend distribution policy as short-, medium-, and long-term target.

ANTI-CORRUPTION

Here at Valuetronics, we do not tolerate corruption in any form. This has been made clear to our employees, suppliers and business partners. Valuetronics ensures that all staff (other than production line workers) sign an anti-corruption declaration when they join the Company. Dedicated whistleblowing hotlines using both email and electronic platforms are set up so that if anyone who wants to report any business ethics issue can do so confidentially and any report of corruption is immediately escalated to the attention of senior management.

We have achieved the target we set last year. There have been no confirmed incidents in which employees were dismissed and contracts with business partners were terminated due to corruption. There were also no public legal cases brought against the Group in FY2026 (FY2025: NIL). Similar to FY2025, we have staff signed anti-corruption declaration. We will continue to monitor and prevent anti-corruption occurrences as targeted. For FY2027, we aim to achieve zero incidents of corruption and continue to ensure that all employees are fully aware of our anti-corruption policy. This includes ensuring that all employees understand and sign our anti-corruption declaration, aligning with our short-, medium-, and long-term targets.



ENVIRONMENTAL

ENERGY

We conducted a material aspect assessment and found that stakeholders are interested in the topic of energy and keen to know what action plan we have in place to manage and reduce energy consumption. In respect to the new inclusion of energy as a material factor, we are proud to inform our stakeholders of our investment in renewable energy that has successfully been installed since July 2022. We have installed a solar panel system to allow us to diversify the source and ensure the clean energy we use in our PRC factory.

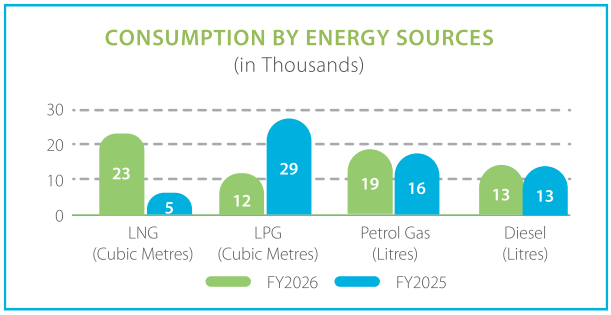
The solar panel system installation project was our testament to reducing carbon footprint and contributing to a cleaner environment. Our primary motivation for undertaking the solar installation project was to reduce our carbon footprint and contribute to a cleaner environment. By harnessing solar energy, we have significantly reduced our reliance on non-renewable energy sources, thereby lessening our environmental impact.

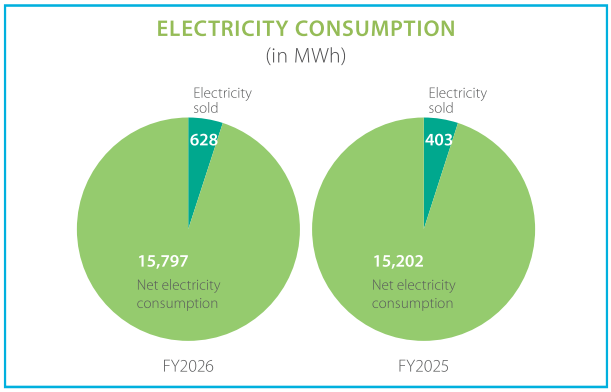
The Group acknowledges the critical role of transparent energy data disclosure in reinforcing our sustainability commitment and enabling stakeholders to better assess our environmental impact. Through consistent tracking and reporting of energy consumption, we aim to uncover opportunities for operational enhancements and more efficient resource use. In line with rising stakeholder expectations and evolving regulatory standards, the Group is committed to strengthening our disclosures further. Building upon the foundation laid in the previous year, we will broaden the scope and depth of our energy reporting to ensure greater clarity, accountability, and alignment with global sustainability benchmark.

Demonstrating our ongoing commitment to environmental stewardship, Valuetronics prioritised effective energy management throughout FY2026, and expanded its energy reporting to include sources beyond electricity. The Group's energy consumption can be categorised into three main areas:

1. Liquefied Natural Gas ("**LNG**") and Liquefied Petroleum Gas ("**LPG**") – used for canteen cooking purposes for employees;
2. Petrol Gas and Diesel – used to power the Group's vehicles;
3. Electricity – used for day-to-day operations and factory activities.

The following graphs below illustrated the Group's energy consumption:





Note: Net electricity consumption is calculated as gross electricity consumption minus the amount of electricity sold

In FY2026, we consumed around 27% (FY2025: about 23%) of electricity from our solar panel system in our PRC factory, surpassing the 10% target (FY2024: at least 10%). This overachievement is attributed to good weather conditions and a lower level of production activities in the China factory, which increased the relative contribution of solar energy.

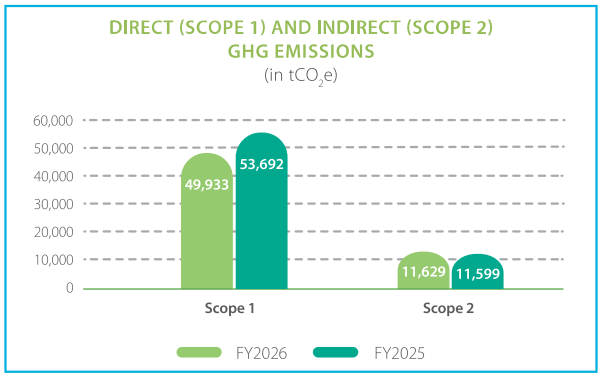
ENVIRONMENTAL

In FY2027, our target is to maintain at least 10% of electricity consumption sourced from renewable sources at our PRC factory, which is aligned with our short-, medium-, and long-term targets.

EMISSIONS

In response to stakeholders' concerns and the increasing importance of climate responsibility, the Group has taken active steps to reduce its carbon footprint. We have commenced systematic tracking and monitoring of emissions, while implementing sustainable practices to minimise environmental impact and support the transition to a low-carbon economy.

The Group has made its inaugural disclosure of GHG emissions this year, focusing on direct (Scope 1) and indirect (Scope 2) emissions. We recognise that emissions management is a key concern for our stakeholders and remain committed to meeting the requirements set by the SGX-ST and aligning with relevant climate reporting frameworks.



This is the second year the Group has shared its emissions data. At the same time, the Group is looking for simple and cost-effective ways to reduce its carbon emissions, such as using energy more efficiently, improving processes, and using renewable energy where possible.

Echoing to our efforts, in FY2027, we remain committed to minimising emissions by continuously monitoring energy usage, implementing environmentally sustainable technologies, and actively promoting environmental awareness. To set comprehensive quantitative targets, we are currently advancing our data collection processes.

SUPPLIER ENVIRONMENTAL ASSESSMENT

To raise environmental awareness among our suppliers, Valuetronics encourages suppliers to be accredited with the ISO 14000 standard. With regard to raw materials that might contain environmentally hazardous substances, the Group has been working closely with suppliers to push forward more environmental protection awareness with suppliers required to make annual declaration on their ISO 14000 compliance. We have performed our annual assessment for all our Printed Circuit Board ("**PCB**") suppliers, as well as our top 100 vendors in terms of purchasing amount through questionnaires. In such questionnaires, they were required to make an annual environmental compliance declaration.

In FY2026, we have achieved our target and are on track to hit our medium-term target as the majority of the assessed suppliers declared that they have been accredited with ISO 14000 standard or have complied with local government laws and regulations on environmental issues. Out of these suppliers assessed, over 95% of our top 100 vendors and all the PCB suppliers (FY2025: over 95% of our top 100 and the PCB suppliers) have declared that they have been accredited with ISO 14000 standard or have complied with local government laws and regulations on environmental issues.

In FY2027, we target to have the majority of our suppliers declare accreditation of ISO 14000 or environmental compliance with local government laws and regulations and commit to initiate due diligence for new suppliers. This is aligned with our short-, medium-, and long-term targets.

SOCIAL

DIVERSITY AND EQUAL OPPORTUNITY

The Company recognises the benefits of having a diverse Board and has adopted a Board Diversity Policy which sets out the approach to achieving diversity of the Board. The Nominating Committee ("**NC**") is responsible to review and monitor its implementation and will recommend appropriate changes to the Board for consideration and approval.

Pursuant to the Board Diversity Policy, the NC reviews annually the appropriateness of the current Board size and composition, taking into consideration, inter alia, the needs of the Company and the environment in which it operates, the collective skills and competencies of the Board, service tenure spread of the Directors, the need for progressive renewal of the Board and changes (if any) in the regulatory environment. When the need arises, the NC will make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that there is an appropriate composition of members of the Board with suitably diverse backgrounds to meet the Group's operational and business requirements. As at the end of FY2026, our board consists of 5 members, with one female director, representing 20% of the board. For more detailed information on our Board Composition including relevant diversity indicators, please refer to our Corporate Governance, pages 18 to 20 of our Annual Report.

Valuetronics maintains a policy of providing equal opportunities to all its employees. The Group's recruitment of employees and their subsequent annual appraisal are based on merit, work attitude, cooperation with other staff, and their efficiency and effectiveness of work.

Furthermore, the Group does not discriminate according to race, age, gender, religion, ethnicity, facial attractiveness, physical impairments, sexual preference, political viewpoints, or nationality.

Similar to the previous year, we have maintained an almost equal ratio of male to female employees. Our objective is to have no incidents of discrimination and there has been no reported discrimination issue during FY2026 (FY2025: NIL). In FY2027, we will continue to hire based on merit and maintain zero incidents of discrimination within the Group throughout the year.

Our headcounts were distributed as follows:

Worker distribution by gender	FY2026	FY2025
Male	49%	50%
Female	51%	50%
	100%	100%

Staff (other than workers) distribution by gender	FY2026	FY2025
Male	53%	53%
Female	47%	47%
	100%	100%

Worker and staff distribution by age group	FY2026	FY2025
16– 17 years	0%	0%
18– 20 years	5%	5%
21– 40 years	57%	61%
More than 40 years	38%	34%
	100%	100%

SOCIAL

FAIR EMPLOYMENT

The Group conducted a material aspect assessment in FY2026. Based on the recent assessment, the employment topic is considered material to the Group as it has a direct impact and implications for the productivity of our workforce and our Group's sustainability. It is imperative for us to create a conducive environment and fair employment. The Group considers its employees as the most valuable asset and offers them fair and competitive remuneration packages. Discretionary incentives are granted to eligible employees based on the performance of the Group as well as the individual employee. We continue to provide employment opportunities to local students by closely cooperating with local colleges and universities and to provide nurturing programmes for fresh graduates. Valuetronics strives to provide a fair employment environment.

In FY2026, the details of our workforce's new hires and turnover rate are as follows:

Distribution of new hires by age group	Staff	
	FY2026	FY2025
Less than 20	2%	2%
Years 20– 40	75%	76%
Years more than 40	23%	22%
	100%	100%

Distribution of new hires by gender	Staff	
	FY2026	FY2025
Male	50%	46%
Female	50%	54%
	100%	100%

In FY2026, the turnover rate of staff was 16% (FY2025: 14%). This turnover was partially attributed to a strategic reduction of headcount as part of our resource optimisation efforts.

In FY2027, we target to hire new employees and aim to achieve a low turnover rate. We set out to achieve the same for our short-, medium-, and long-term targets.

CHILD LABOUR

The Group has a strict no child labour policy and expects the same from all of our suppliers. Declaration is made during our new supplier application procedure and as a part of the annual supplier assessment. All our suppliers comply with our no child labour policy. In FY2026, there were zero child labour incidents reported in our operations and suppliers (FY2025: NIL).

The Group understands the salient issues of human rights that may occur in business operations. We are of the view to expand our vision, policies and programmes concerning human rights to contribute to the effective abolition of child labour within our operations and suppliers. In FY2027, we aim to preserve 100% of no child labour policy, encompassing our short-, medium-, and long-term targets.

OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety ("**OHS**") of our workforce has always been one of our priorities. Valuetronics is pleased to confirm that there have been no fatal industrial accident reported in FY2026. Our Environment, Health and Safety ("**EHS**") department is independent from the operational departments and monitors the following measures to provide a safe working environment for all employees:

- Identifying potential risks through routine campus patrols and drawing up and implementing preventive actions;
- Analysing each incident for its root causes and communicating with all the relevant department managers for corrective actions and implementing preventive measures;
- Conducting regular training for employees on safety practices;
- Conducting regular checks for emission compliance;
- Reinforcing the occupational health and safety awareness by providing trainings, putting up banners and posters in public areas;
- Closely following and ensuring compliance with the government's rules and regulations on EHS;
- Ensuring fire safety management protocols are in place; performing routine check on fire safety; and
- Carrying out regular fire drills and training.

SOCIAL

In addition, the EHS department chairs regular health and safety meetings with all operational department managers to discuss occupational health and safety issues, focusing on the risks identified above. Immediate corrective actions are carried out for each EHS incident, which is followed by a formal review for further prevention. The EHS department also verifies the implementation and effectiveness of any corrective actions.

In FY2026, there were zero fatal industrial accidents reported in the factory (FY2025: NIL) and the lost-time work-related injury rate was below 0.1% (FY2025: below 0.1%). In FY2027, we will continue our commitment to maintaining zero cases of fatal industrial accidents in the factory and ensuring a low lost-time work-related injury rate, in alignment with our short-, medium-, and long-term targets.

TRAINING AND EDUCATION

Valuetronics provides its employees with an orientation program and regular training. During the year, we dedicate resources to ensure that training opportunities are accessible for all genders. This is done to demonstrate our support for equal opportunity in all aspects, including training and education programs.

The orientation program is organised for new employees to introduce the Company and its operations as well as its codes of conduct, applicable internal and external rules and regulations, and workplace safety practices.

For workers, regular training is provided for job-related skills and updates on workplace safety. For staff, in addition to workplace safety training, more specialised training is also held to ensure that they keep pace with the growth and development of the Group. Staff training records are reviewed, and specific training needs are identified for the individual's career advancement. Valuetronics places importance on ensuring the competency of its employees to serve all stakeholders. Our in-house training records showed that at the Group level, each staff averaged 8 hours for FY2026 (FY2025: 9 hours). This decrease was due to full-scale trainings conducted in FY2025 to meet regulatory compliance requirements, which were not required in FY2026. In FY2027, we will continue to deploy our resources and offer training courses to our employees to enhance their professional competence.

LOCAL COMMUNITIES

Valuetronics strongly believes in being a socially responsible corporate citizen, striving to contribute to the community through meaningful engagement. In FY2026, the Company managed to organise 4 community programmes. (FY2025: 3 programmes). Looking ahead to FY2027, we are committed to continuing our efforts to give back to the community, targeting to organise at least one community activity per quarter.







GOVERNANCE

SUSTAINABILITY GOVERNANCE

At Valuetronics, we believe that strong corporate governance is key to a sustainable business. That is why since our listing on the SGX Mainboard in 2007 and all through to FY2026, we have continued to comply with the Singapore Code of Corporate Governance. Please refer to pages 15 to 37 of our Annual Report, for details of our compliance with the Singapore Code of Corporate Governance. In FY2026, we have achieved the target we set in FY2025. We will continue to ensure that Valuetronics remains compliant with SGX requirements in FY2027 and onwards, aligning with our short-, medium-, and long-term targets set.

As an integrated EMS provider, it is a constant challenge to be able to successfully manage our environmental and social issues. Nevertheless, Valuetronics has incorporated these issues into our business model and implemented the applicable sustainable and responsible practices to mitigate these issues throughout the Company. Our products also meet the stringent safety and environmental requirements demanded by our customers.

Valuetronics pays strict attention to the implementation of good labour practices in all our operations. The Group also provides various training opportunities for continued employee development, and this is reflected in the quality and delivery of our products and services. We value our relationships with our clients and the wider community in which we operate in, and these strong relationships have helped us through the challenging times in the past. Valuetronics strongly believes that in the long run, these efforts will have a positive impact on our economic performance.

ENTERPRISE RISK MANAGEMENT ("ERM")

ERM is an integral part of good corporate governance as well as resource management. Valuetronics has a thorough and comprehensive ERM framework to identify and manage its risks and exposures in an integrated, systematic and consistent manner. For detailed disclosure on ERM, please refer to pages 29 and 30 of our Annual Report.

Similar to FY2025, we have performed risk assessment exercise and achieved the target we set last year. We aim to perform annual risk assessment and disclose it in accordance with SGX requirement in FY2027 and onward, aligning with our short-, medium-, and long- term targets set.

BUSINESS ETHICS AND COMPLIANCE

When it comes to hiring, Valuetronics takes any possibility of conflict of interest into serious consideration. Our code of conduct clearly spells out our expectations from our staff and the subsequent consequences if any of the rules are violated or when standards are not met. In addition, we also have fair grievance procedures.

The Group also takes measures to guard against cybersecurity risks in order to protect confidential information for both our internal and external stakeholders. This applies to our employment process where the privacy of all applicants is safeguarded and access to personal data is restricted to authorised persons on a strict need-to-know basis.

All of our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. We have incorporated business ethics and codes of conduct into our new joiner orientation program, so that all of our employees are fully aware that our compliance with rules and regulations is a key part of running a responsible business.

Valuetronics has complied, in all material aspects, with applicable environmental rules and regulations, anti-competitive behaviour laws, and requirements on health and safety. For FY2026, we have achieved our target to comply with applicable environmental rules and regulations, anti-competitive behavior laws, and requirements on health and safety. There were no significant fines or non-monetary sanctions for any non-compliance with the aforementioned laws, regulations and requirements. There have also been no reported incidents of corruption during the reporting period (FY2025: NIL). It is Valuetronics' goal to maintain zero incidents of corruption, and we regularly review our policies on whistleblowing and anti-corruption so as to ensure that they are effective. In FY2027, we will continue to aim for zero incidents of non-compliance in the following years as short-, medium-, and long-term target.

GOVERNANCE

ENVIRONMENTAL COMPLIANCE

Valuetronics has achieved the ISO 14000 accreditation and standards for environmental management since 2008 for our China operation and since 2021 for our Vietnam operation, following its commencement of mass production. ISO 14000 is based on a plan-do-check-act ("**PDCA**") methodology which provides a systematic framework for the integration of environmental management practices by supporting environmental protection, preventing pollution, minimising waste, reducing energy and material use. Recyclable waste is stored, collected, and processed by qualified third-party recycling firms.

We are committed to continuing the PDCA approach to improve our environmental management, targeting environmental protection, environmental regulatory compliance, and no major non-conformities in any kind of environmental compliance audits in both our China and Vietnam operations. Aside from the above, there were no incidents of non-compliance with environmental-related laws and regulations resulting in significant fines or sanctions in FY2026 (FY2025: NIL), and we endeavor to maintain this track record next year. In FY2027, we target to pass the environmental compliance audits as short-, medium-, and long-term target.

SOCIOECONOMIC COMPLIANCE

The nature of our operations involves individuals from the operations and the local communities we operate in. Our customers and suppliers conduct regular communications with us to work on the assessment of socioeconomic compliance when we are doing business with them. We also understand our operations may directly and indirectly affect the individuals living near the communities we operate in and/or adjacent to the Group's operations. However, we are of the opinion that there are merits to connect with the stakeholder groups that have direct control and ability to contribute to the prevention and mitigation of negative socioeconomic impact through upholding compliance with the relevant social and economic laws and regulations. Our Group is pleased to inform our stakeholders that in FY2026, there were no reported non-compliance to the social and economic laws and regulations incidents (FY2025: NIL) found within our operations and across the markets we operate in.

In FY2027, we strive to have non-significant non-compliance with laws and regulations incident in the social and economic areas, corresponding to our short-, medium-, and long-term targets.



CLIMATE-RELATED DISCLOSURES

GOVERNANCE

The Board of Directors is ultimately accountable for oversight of the Group's climate-related issues across the Group including, but not limited to, overseeing the management of climate-related risks and opportunities, and setting the tone and direction for the Group in the way climate-related risks are managed in the Group's businesses. The Board ensures that climate change is taken into consideration when determining the Group's strategic direction and policies. At the time of reporting, the key climate-related risks and opportunities for the Group have been identified and assessed by the top management of the Group.

The CFO, by delegation to support the Board, is tasked with the strategic management of the climate-related risks and opportunities, driving the implementation of group-wide sustainability and climate-related initiatives, and recommending policies, guidelines, and procedures to support climate-related management efforts. Supported by various functions, the CFO is also responsible for monitoring and managing climate-related concerns raised by stakeholders and reporting regularly to the Board pertaining to climate-related risks relevant to the business.

STRATEGY

Valuetronics adopts a phased approach in managing climate-related risks and opportunities across the Group. During the reporting period, we have begun developing our internal capabilities to address the Recommendations of the TCFD in order to manage critical climate-related risks and opportunities within our organisation in a more strategic manner. Based on our climate risk assessment conducted in FY2024, we have identified and assessed climate-related risks and opportunities across our operations that have potential financial impacts in the short- (before Year 2030), medium- (Year 2030), and long-term (Year 2050) as follows:

Climate-related Risks and Opportunities	Description	Anticipated Financial Impact	Timeframe
Physical Risk Rising mean temperatures and increased extreme weather events	Increased frequency and severity of flash floods and rising mean temperatures as a result of climate change can bring about damage of manufacturing sites located in China and Vietnam, resulting in repair and replacement costs to our assets, disrupted operations and potential increases in insurance premiums.	Increased operating costs and insurance premiums	Medium- to long-term
Transition Risk (Policy and Legal) Heightened carbon regulations in China and Vietnam	The implementation of tightened carbon-related regulation such as the launch of "Interim Regulations on the Management of Carbon Emissions Trading" by the State Council of the People's Republic of China in January 2024 to regulate carbon emissions trading and related activities, and strengthen the control of greenhouse gas emissions will possibly increase the carbon reduction cost in the future. In addition, the issuance of Decree 06/2022/ND-CP by the Vietnamese government, which laid out a roadmap to establish a national carbon market and strengthened the mitigation of greenhouse gas emissions, will consequentially lead to an increase in compliance costs.	Increase carbon emission reduction cost	Medium- to long-term

CLIMATE-RELATED DISCLOSURES

Climate-related Risks and Opportunities	Description	Anticipated Financial Impact	Timeframe
Transition Risk (Reputation) Enhanced climate reporting requirements	Increased expectations and stringent sustainability and climate disclosure requirements imposed by various stakeholders such as regulators and investors may lead to increased costs in implementation of sustainability initiatives. Failure to comply with relevant local laws and requirements imposed by the authority may lead to adverse impacts on the Group's reputation.	Increased operating and compliance costs	Short- to medium-term
Transition Risk (Market) Shift in customer preference	The shift in consumer preferences for low-carbon products led to increasing demand of products with energy-saving and energy-efficient features. Failure to improvise the manufacturing process and substitute to low-carbon or environmental-friendly production materials may lead to decrease in customer demand.	Decreased product demand and revenue	Medium- to long-term
Climate-related Opportunities (Product & Services) Increased demand for development of new products and services	In view of increasingly strict requirements on low carbon development and expectations from stakeholders, the Group will make efforts to enhance development of products with green processes to build competitiveness, improve customer experience and attract more potential customers.	Increased business revenue	Medium- to long-term
Opportunities (Resilience) Increased supply chain resilience and adaptability	Identifying resilient materials and adopting sustainable approaches, e.g., sourcing for low-carbon footprint materials, and enhancing supply chain management of the Group to mitigate risks arising from the climate change will help the Group increase its adaptability in the future.	Decreased operating costs Increased business revenue	Medium- to long-term

CLIMATE SCENARIO ANALYSIS

In line with the Group's commitment disclosed in the FY2025 Sustainability Report, Valuetronics has performed a climate scenario analysis during FY2026 to assess the resilience of its business strategy under different climate-related futures. The analysis covers the Group's manufacturing operations in China and Vietnam, with reference to TCFD recommendations and IPCC scenarios.

Two climate scenarios were considered:

- **Scenario 1: Representative Concentration Pathway 2.6 (RCP2.6)** – Selected to reflect a future characterised by stringent climate policies, increasing carbon prices, evolving customer expectations and enhanced climate-related disclosure requirements.

- **Scenario 2: Representative Concentration Pathway 8.5 (RCP8.5)** – Selected to reflect a future characterised by more frequent and severe extreme weather events, flooding, rising temperatures and other climate-related impacts on operations and assets.

CLIMATE-RELATED DISCLOSURES

Based on the analysis, the following climate-related risks have been identified as the most relevant to the Group:

Risk Category	Potential Impact	Mitigation Measures
Extreme & more frequent heatwaves	Higher cooling and energy costs	Invest in energy efficient cooling systems; optimise production schedules
Flooding	Production downtime; asset damage; repair costs	Review insurance coverage; assess facility exposure; enhance business continuity planning
Policy & legal – operational delays from transitional rules, raw material shortages	Procurement delays; higher raw material costs	Diversify supplier base; strengthen supplier due diligence; improve inventory forecasting
Policy & legal – compliance with stricter environmental requirements	Increased compliance and monitoring costs	Maintain ISO 14000 certification; implement enhanced compliance management; regular staff training

Overall, the Group is assessed as moderately resilient under both scenarios. While climate-related risks may increase operating costs and require additional investments over time, no scenario currently indicates a material threat to the Group's business continuity or going concern assumption. Management will continue to monitor climate-related developments and update the scenario analysis periodically.

RISK MANAGEMENT

To maintain a strong system of risk and internal controls that safeguard the interests of the company and its shareholders, the Group uses our ERM Framework to address key business risks, such as financial, operational, compliance, information technology, and sustainability-related risks. The Group has defined clear roles and responsibilities for managing these risks, including climate-related risks, across the Board, the Risk Management Committee ("**RMC**"), and the respective risk owners. To support the effective operations of the Group's risk management processes, the RMC meets the Board semi-annually and the risk owners report to the RMC on a semi-annual basis to ensure accountability and oversight of climate-related matters within the organisation.

The Board oversees risk management activities and approves the Group's risk management strategy, policies, and methodologies. The RMC is responsible for formulating risk strategy and policy that align with the Group's business goals. This process involves communicating the vision and key activities to all employees, particularly risk owners, who are tasked with managing their business unit's risk profile and reporting to their unit head. Besides, the RMC regularly communicates critical risks to the Board along with management action plans. Ongoing monitoring of risks by RMC includes reviewing of risk profiles, assigning risk owners, and implementing of remediation action plans where necessary.

We have in place Risk Management Process ("**RMP**"), a systematic and structure guide to ensure that identified risks exposed by Valuetronics are adequately reviewed and addressed to minimise our exposure to these risks, ensuring better operational and strategic control over our business. The RMP follows four distinct stages to identify and assess risks relevant to the Group:

(i) Risk Assessment: This stage involves identifying strategic and process-level risks, including sustainability risks, by RMC and designated risk owners as well as other relevant stakeholders. Leveraging on brainstorming and experience sharing sessions, industry benchmarking and risk assessment workshops, the Group identifies significant risks and records them in risk register.

(ii) Risk Analysis: A semi-annual risk assessment is conducted to analyse the impact and likelihood of identified risks. This step also evaluates the effectiveness of existing controls in mitigating these risks.

(iii) Risk Treatment: Once risks are identified and evaluated, the RMC with the help of risk coordinators, collaborates closely with process owners of high-risk areas to determine whether measures are required to reduce risks to acceptable levels, particularly those top risks.

CLIMATE-RELATED DISCLOSURES

(iv) Risk Monitoring and Reporting: The RMC obtains approval from the Board and oversees the implementation of the identified risk treatments. The RMC continues to monitor the effectiveness of these measures and report the status of mitigation actions or findings to the Board in semi-annual meetings.

Looking ahead, the Group will focus on integrating climate-related risks into our ERM Framework for the upcoming financial year. This integration will help ensure that climate-related risks are systematically identified, assessed, and managed in alignment with our overall risk management strategy.

METRICS AND TARGETS

As we strive to mitigate climate change impacts, we have established climate-related metrics such as those disclosed below to give our stakeholders a clearer picture of how we manage climate-related risks and opportunities. We realised the significance of monitoring, measuring, and reporting energy and emissions, and we have started tracking and disclosing our GHG emissions pertinent to the Group.

a. Liquefied Natural Gas – Cubic metres (m^3)
b. Liquefied Petroleum Gas – Cubic metres (m^3)
c. Petrol Gas – Litres
d. Diesel – Litres
e. Electricity – Megawatt hours (MWh)
f. Direct (Scope 1) GHG Emissions – Tonnes of carbon dioxide equivalent (tCO_2e)
g. Indirect (Scope 2) GHG Emissions – Tonnes of carbon dioxide equivalent (tCO_2e)



GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE		REFERENCE/DESCRIPTION
Statement of use	Valuetronics Holdings Limited has reported the information cited in GRI Content index for the period from 1 April 2025 to 31 March 2026 with reference to the GRI standards 2021		
GRI 1	GRI 1: Foundation 2021		
GRI STANDARDS 2021			
GENERAL DISCLOSURE			
GRI 2: General Disclosures	2-1	Organisational details	Sustainability Report 2026, page 3
	2-2	Entities included in the organisation's sustainability reporting	Sustainability Report 2026, pages 1-2
	2-3	Reporting period, frequency and contact point	Sustainability Report 2026, page 1
	2-4	Restatements of information	None
	2-5	External assurance	Sustainability Report 2026, page 1
	2-6	Activities, value chain and other business relationships	Sustainability Report 2026, page 3
	2-7	Employees	Sustainability Report 2026, pages 11-12
	2-8	Workers who are not employees	Sustainability Report 2026, pages 11-12
	2-9	Governance structure and composition	Annual Report 2026, pages 11-13, 18-20
	2-10	Nomination and selection of the highest governance body	Annual Report 2026, pages 22-23
	2-11	Chair of the highest governance body	Annual Report 2026, pages 20-22
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report 2026, page 2
	2-13	Delegation of responsibility for managing impacts	Sustainability Report 2026, page 2
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Report 2026, page 2
	2-15	Conflicts of interest	Annual Report 2026, page 15
	2-16	Communication of critical concerns	Sustainability Report 2026, page 5
	2-17	Collective knowledge of the highest governance body	Sustainability Report 2026, page 2
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2026, pages 24-25
	2-19	Remuneration policies	Annual Report 2026, page 26
	2-20	Process to determine remuneration	Annual Report 2026, pages 27-29
	2-21	Annual total compensation ratio	Due to confidentiality, Valuetronics is unable to disclose this information.
	2-22	Statement on sustainable development strategy	Sustainability Report 2026, pages 1-2
	2-23	Policy commitments	Sustainability Report 2026, pages 7-19
	2-24	Embedding policy commitments	Sustainability Report 2026, pages 7-19
	2-25	Processes to remediate negative impacts	Sustainability Report 2026, page 14
	2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report 2026, pages 8, 14
	2-27	Compliance with laws and regulations	Sustainability Report 2026, pages 14-15
	2-28	Membership associations	None
	2-29	Approach to stakeholder engagement	Sustainability Report 2026, page 5
	2-30	Collective bargaining agreements	None

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE		REFERENCE/DESCRIPTION
GRI STANDARDS 2021			
GENERAL DISCLOSURE			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Sustainability Report 2026, page 6
	3-2	List of material topics	Sustainability Report 2026, page 6
	3-3	Management of material topics	Sustainability Report 2026, pages 6-15
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Sustainability Report 2026, pages 7-8
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Sustainability Report 2026, page 8
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Sustainability Report 2026, page 9
	302-4	Reduction of energy consumption	Sustainability Report 2026, page 9
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Sustainability Report 2026, page 10
	305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report 2026, page 10
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Sustainability Report 2026, page 10
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Sustainability Report 2026, page 12
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	Sustainability Report 2026, pages 12-13
	403-5	Worker training on occupational health and safety	Sustainability Report 2026, pages 12-13
	403-9	Work-related injuries	Sustainability Report 2026, pages 12-13
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Sustainability Report 2026, page 13
	404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report 2026, page 13
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Sustainability Report 2026, page 11
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Sustainability Report 2026, page 11
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Sustainability Report 2026, page 12
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report 2026, page 13



VALUETRONICS HOLDINGS LIMITED
Unit 9-11, 7/F Technology Park, No. 18 On Lai Street,
Shatin, New Territories, Hong Kong
T 852 2790 8278 I **F** 852 2304 1851
www.valuetronics.com.hk