

Valuetronics FY2024 net profit up 29.8% on improved margins and higher interest income

Proposes final dividend of 9 Hong Kong cents per share and final special dividend of 8 Hong Kong cents per share¹; together with the interim and special interim dividend of total 8 Hong Kong cents per share, this brings total dividend for FY2024 to 25 Hong Kong cents per share.

Financial Highlights (HK\$ Million)	12 months ended 31 March		
	FY2024	FY2023	Change (%)
Total Revenue	1,669.9	2,013.7	(17.1)
- Consumer Electronics ("CE")	417.9	433.4	(3.6)
- Industrial & Consumer Electronics ("ICE")	1,252.0	1,580.3	(20.8)
Gross Profit	265.2	261.7	1.3
Gross Profit Margin (%)	15.9	13.0	2.9 % pts
Net Attributable Profit	159.6	123.0	29.8
Earnings per share (HK cents)*	38.7	29.1	33.0

** Calculated based on weighted average number of ordinary shares in issue of 412,359,922 for the year ended 31 March 2024 (422,556,132 for the year ended 31 March 2023).*

SINGAPORE – 29 May 2024 – Buoyed by higher interest income received and an enhanced gross profit margin, leading integrated Electronics Manufacturing Services ("EMS") provider Valuetronics Holdings Limited (鸿通电子控股有限公司) ("Valuetronics", or together with its subsidiaries, the "Group") has reported a 29.8% year-on-year ("yoy") leap in net attributable profit to HK\$159.6 million for the 12 months ended 31 March 2024 ("FY2024").

This translated to earnings per share of 38.7 Hong Kong cents per share in FY2024 as compared to 29.1 Hong Kong cents per share in the preceding year ("FY2023").

¹ Subject to shareholders' approval at the upcoming Annual General Meeting.

Performance review and balance sheet

The Group navigated a dynamic operating landscape in FY2024, encountering both challenges and opportunities. Despite a 17.1% yoy decline in revenue to HK\$1,669.9 million, the Group's profitability improved.

Revenue in the CE segment was bolstered by contributions from new customers, offsetting slower business from existing customers. Revenue in the ICE segment was adversely affected by lower customer demand under unfavorable economic environment

The easing of component shortages, stabilization of material costs, and depreciation of the Renminbi contributed to an improved gross profit margin of 15.9%, compared to 13.0% in the previous fiscal year. As a result, gross profit increased to HK\$265.2 million in FY2024, up from HK\$261.7 million in FY2023.

Interest rate hikes by the US Fed several times during the year led to stronger other income and gains of HK\$55.2 million in interest income in FY2024 from HK\$21.2 million in FY2023, while overall operating expenses and finance costs were largely maintained.

The Group remained in a strong financial position with a healthy balance sheet and no bank borrowings. As at 31 March 2024, it had cash and cash equivalents of HK\$1,164.5 million (as at 31 March 2023: HK\$1,009.9 million). Net asset value improved to HK\$3.4 per share from HK\$3.3 per share over the same period².

Mr Ricky Tse Chong Hing (谢创兴), Chairman and Managing Director of Valuetronics said: *“Our strategic initiatives to diversify our customer base have shown promising results in FY2024. We successfully onboarded a new CE consumer, who supplies products to a leading global entertainment conglomerate, and an ICE customer, specializing in network access solutions. Both of these new customers began contributing to our revenue in the second half of FY2024, partially offsetting the slower demand from our existing customers. This also reflects a rebalance of our customer portfolio, allowing us to allocate more resources towards higher-growth potential and better margin customers”*

Dividend

The Board of Directors has recommended a final dividend of 9 Hong Kong cents per share and a special dividend of 8 Hong Kong cents per share. Together with the interim dividend and special dividend of total 8 Hong Kong cents that was paid in December 2023, it brings total dividend for FY2024 to 25 Hong Kong cents per share. This represents a dividend payout ratio of 64.3% of net attributable profit in respect of FY2024.

² Net asset value calculated on the basis of 409,405,337 shares as at 31 March 2024 and 413,906,337 shares as at 31 March 2023.



Valuetronics Holdings Limited
Unit 9-11, 7/F, Technology Park
No. 18 On Lai Street, Shatin,
New Territories, Hong Kong
Tel: (852) 2790 8278
Fax: (852) 2304 1851
www.valuetronics.com.hk

Business Outlook

The high-interest rate environment is expected to persist into the financial year ending 31 March 2025 (“FY2025”), with the timing and magnitude of potential rate cuts remaining uncertain. While this environment supports the Group's interest income, it may adversely affect end customers' demand. Ongoing high interest rates and inflation are likely to slow enterprise expansion and reduce capital expenditure. Despite these challenges, the Group remains focused on exploring new projects with existing customers and actively seeking to attract new customers. Its strategic manufacturing solutions in Vietnam position it well to meet evolving customer needs amidst geopolitical uncertainties.

Looking ahead, the Group remains confident in its ability to navigate the evolving landscape. Supported by a strong balance sheet, a diverse customer base, and a proven track record of operational excellence, the Company expects to remain profitable for FY2025, barring unforeseen circumstances.

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\$79.0 million has been utilised to repurchase an aggregate of 26.2 million company shares. The Group intends to continue with the Share Buyback Program.

-- END --

Cautionary Statement

Shareholders are advised to read this press release and announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.



Valuetronics Holdings Limited
Unit 9-11, 7/F, Technology Park
No. 18 On Lai Street, Shatin,
New Territories, Hong Kong
Tel: (852) 2790 8278
Fax: (852) 2304 1851
www.valuetronics.com.hk

About Valuetronics Holdings Limited

Listed on the SGX Mainboard in 2007 and currently a constituent stock on the FTSE ST Small Cap and FTSE Global Micro Cap Indices, Valuetronics Holdings Limited (“**Valuetronics**”, or together with its subsidiaries, the “**Group**”) is a one-stop, integrated Electronics Manufacturing Services (“**EMS**”) provider that offers a full range of services from conceptualisation, to engineering design and development, to production and supply chain support.

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, with core competencies ranging from tool fabrication, injection moulding, metal stamping, machining, surface mount technology (“**SMT**”) and finished product assembly on full turnkey basis.

Aligned to its multi-location strategy, Valuetronics’ two manufacturing facilities are located in the manufacturing powerhouses of China and Vietnam. Its 110,000m² China Campus is located at Huizhou City, Guangdong Province and its 52,541m² Vietnam Campus is in Vinh Phuc Province. The close proximity to major customers puts the Group in an advantageous position to engage, understand and initiate value-added solutions to meet its customers’ ever-evolving needs and to proactively support them in achieving faster time-to-market, better quality control, and competitive total cost of ownership.

For more information, visit www.valuetronics.com.hk.

Issued by August Consulting on behalf of Valuetronics Holdings Limited

Silvia Heng – Mobile: +65 9684 4500, Email: silviaheng@august.com.sg

Wrisney Tan – Mobile: +65 9743 2667, Email: wrisneytan@august.com.sg

Victoria Lim – Mobile: +65 9641 2245, Email: victorialim@august.com.sg