VALUETRONICS HOLDINGS LIMITED

ANNUAL REPORT 2026

TABLE OF CONTENTS

CORPORATE PROFILE

Established in 1992 and listed on the SGX Mainboard in 2007, Hong Kong-headquartered Valuetronics Holdings Ltd. ("**Valuetronics**" or together with its subsidiaries, the "**Group**") 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 110,000m^2 China Campus is located at Huizhou City, Guangdong Province, close to Shenzhen, while its 52,541m^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.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

The financial year ended 31 March 2026 ("**FY2026**") was a year in which Valuetronics Holdings Limited demonstrated resilience, discipline and strategic focus. Against a backdrop of trade policy headwinds, shifting global supply chains and evolving customer demand, we navigated the environment with focus and emerged with a stronger business mix, a healthier balance sheet and a clear commitment to delivering superior value to you, our shareholders.

We are pleased to report that our ICE segment delivered its third consecutive year of improved performance, while our disciplined focus on margin enhancement drove gross profit higher despite a modest decline in total revenue.

FINANCIAL PERFORMANCE

Total revenue for FY2026 was HK$1,660.2 million, a 4.0% year-on-year decrease, largely reflecting the deliberate phase-out of legacy, low-margin CE products that no longer met our strategic requirements. The more meaningful story lies in our profitability: gross profit grew 6.3% year-on-year to HK$312.1 million, and our gross profit margin expanded by 1.8 percentage points to 18.8%, confirming that our strategic shift toward a higher-quality revenue mix is bearing fruit.

Our ICE segment, which now represents 87.1% of total revenue, rose 6.2% year-on-year to HK$1,446.1 million. Growth in this segment was underpinned by continued strong volume from our Canada-based network access solutions customer. As at 31 March 2026, the Group continued to operate from a position of financial strength. We held cash and cash equivalents of HK$1,213.8 million with no bank borrowings, and our net asset value remained steady at approximately HK$3.60 per share.

Reported net profit for FY2026 was HK$111.4 million. This figure includes a net charge of HK$48.4 million relating to the Group's investment in Trio AI, mainly comprising impairment losses on property, plant and equipment, and share of associate losses. Details can be found on pages 6 and 69 of this Annual Report. Excluding these non-recurring items, adjusted operating profit grew 2.6% year-on-year to HK$179.8 million, and adjusted net profit was HK$159.9 million, a result that reflects the underlying resilience of our core EMS operations.

RETURNING CASH TO SHAREHOLDERS

Accompanying our FY2026 results, we announced our programme to return approximately HK$300.0 million in surplus cash to shareholders over the financial year ending 31 March 2027 ("**FY2027**") and the financial year ending 31 March 2028 ("**FY2028**"). This capital return programme (the "**Programme**") is structured over two financial years:

FY2027: Approximately HK$146.0 million allocated

- HK$66.0 million in special dividends[1] (in respect of FY2026 results)
- Not less than HK$80.0 million in share buybacks[2]

FY2028: Remaining balance of the HK$300.0 million to be allocated

- Further special dividends and/or share buybacks

The Board will review the Programme periodically, taking into account financial performance, operating and capital expenditure requirements, prevailing market conditions, cash flow position and applicable laws and regulations. The Programme reflects a firm intention and a disciplined approach to balancing the needs of the business with the legitimate expectations of our shareholders.

FY2026 DIVIDEND AND REVISED DIVIDEND POLICY[3]

In tandem with the 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.

Subject to shareholders' approval of the final and special dividend at the upcoming AGM, total dividends for FY2026 will amount to 38 Hong Kong cents per share, which is a 41% increase over the 27 Hong Kong cents per share paid in the financial year ended 31 March 2025 ("**FY2025**"), and a payout ratio of 132% of reported net profit. The higher payout underscores our commitment to shareholders even in a year when reported earnings were impacted by non-recurring losses.

	FY2026 (HK cents)	FY2025 (HK cents)
Interim Dividend	**4.0**	4.0
Special Interim Dividend	**4.0**	4.0
Proposed Final Dividend	**14.0**	11.0
Proposed Special Final Dividend	**16.0**	8.0
Total Dividends	**38.0**	27.0

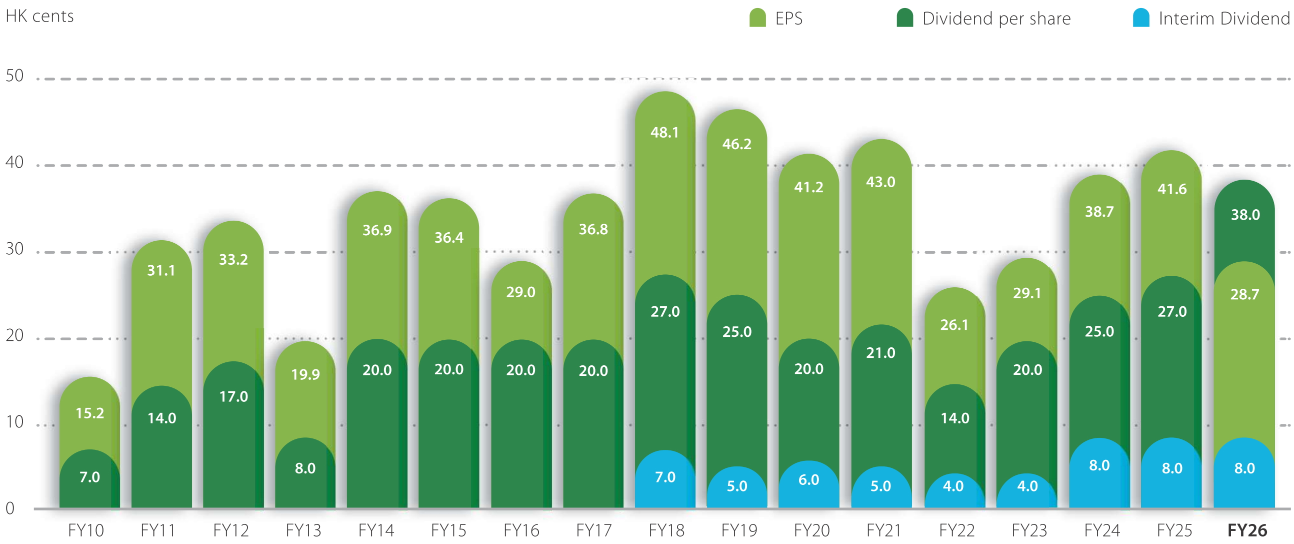
1 Subject to shareholders' approval at the forthcoming annual general meeting

2 Over a period of up to 12 months from the date of shareholders' approval for the proposed renewal of the share buyback mandate at the forthcoming annual general meeting.

3 Subject to a range of factors, including the Group's actual and expected financial performance and financial conditions; retained earnings and distributable reserves; working capital and capital expenditure requirements; general economic conditions and other internal or external factors; and the Group's strategic growth opportunities and investment plans.

CHAIRMAN'S STATEMENT

EARNINGS PER SHARE (EPS) AND DIVIDENDS PER SHARE



BUSINESS OUTLOOK

During the year, our Vietnam Campus attained IATF 16949 certification, further strengthening the Group's automotive-grade quality management system and extending our certified automotive manufacturing platform across multiple campuses. This enhanced capability facilitates Valuetronics' pursuit of automotive opportunities, including products used in super duty trucks and hybrid vehicles serving the U.S. and global markets. These applications require robust, high-reliability components, and Valuetronics' integrated manufacturing capabilities and operational excellence position us well to serve this demanding opportunity.

In our CE segment, revenue from our entertainment-focused customer is expected to grow, supported by new project awards. However, we anticipate this growth will not fully offset the decline in legacy CE product revenue in FY2027, as the phase-out of these products was largely completed during FY2026.

Meanwhile, we remain mindful of the broader macroeconomic environment. The U.S. trade policy landscape remains complex and continues to create uncertainty for international trade, with ongoing implications for costs and supply chains. While recent diplomatic progress offers some prospect of relief, Middle East tensions continue to weigh on crude oil-based material and logistics costs. Strong demand for AI infrastructure also continues to absorb semiconductor manufacturing capacity, affecting the cost and lead times of conventional component supplies. Collectively, these factors represent headwinds to costs and margins.

Nonetheless, supported by our strong balance sheet, dual-geography manufacturing footprint in China and Vietnam, ongoing customer diversification, and operational discipline, we remain well positioned to respond to these evolving challenges. Barring unforeseen circumstances, the Group expects to remain profitable in FY2027.

TRIO AI INVESTMENT

In 2024, we established Trio AI Limited ("**Trio AI**"), a non-wholly owned venture, in partnership with Sinnet Cloud HK Limited, to offer graphics processing units ("**GPUs**") and AI-related value-added cloud services in Hong Kong. Trio AI leases GPUs and related ancillary hardware from Computing Assets Limited, our wholly-owned subsidiary, under an equipment leasing arrangement (collectively, the "**Trio AI investment**").

The rationale for the investment was to enable Valuetronics to participate in the growing AI sector. Our investment decision was backed by an external market study that supported the investment thesis on growing AI adoption and a supply gap in the GPU computing capacity in the Hong Kong market. At that time, US-China tensions had led to technology restrictions in Hong Kong in accessing top-tier GPUs, which created opportunities for China-made GPUs that were designed to be compatible with best-rated ecosystems.

However, demand for GPU-enabled services offered by Trio AI did not materialise at the pace required to support its business plan and, although we brought in a new investor which injected fresh funds and had local commercial network and opportunities within Hong Kong's infrastructure segment, Trio AI's business has not improved sufficiently. Hence the Group will be reassessing the future direction of Trio AI together with its other shareholders. We will also explore options to recover value through disposal or redeployment of the GPUs and related ancillary hardware.

APPRECIATION

FY2026 has demonstrated Valuetronics' financial strength and its ability to invest for the future while continuing to reward shareholders. The announcement of our HK$300 million capital return programme, the uplift in our dividend policy and the record dividend payout are not simply financial decisions. They reflect a philosophy of disciplined stewardship and respect for the trust you have placed in us.

On behalf of the Board of Directors, I wish to extend my sincere gratitude to our shareholders for your continued support and confidence. I also thank our management team, employees, customers and business partners for their dedication and contributions. Together, we look forward to building on this solid foundation and creating sustained value in the years ahead.

TSE CHONG HING
Chairman and Managing Director

FINANCIAL HIGHLIGHTS

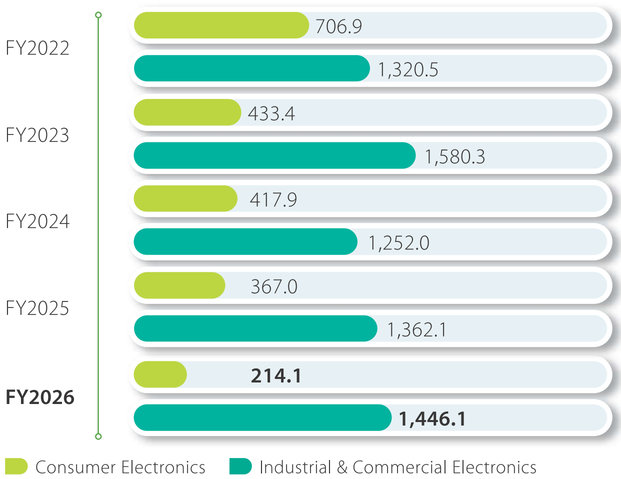
5 YEARS SUMMARY

31 March		2022	2023	2024	2025	2026
RESULTS (HK$ MILLION)						
Revenue	Consumer Electronics	706.9	433.4	417.9	367.0	**214.1**
	Industrial & Commercial Electronics	1,320.5	1,580.3	1,252.0	1,362.1	**1,446.1**
	Total	2,027.4	2,013.7	1,669.9	1,729.1	**1,660.2**
Gross profit		274.8	261.7	265.2	293.7	**312.1**
Profit before tax		125.7	132.9	167.9	174.7	**130.7**
Profit attributable to owners of the Company		113.5	123.0	159.6	170.4	**117.1**
ASSETS & LIABILITIES (HK$ MILLION)						
Total assets		2,095.7	2,075.9	2,088.9	2,183.8	**2,184.1**
Total liabilities		727.1	713.9	689.3	727.7	**714.8**
Total equity		1,368.6	1,362.0	1,399.6	1,456.1	**1,469.3**
Net cash[1]		936.7	1,009.9	1,164.5	1,093.8	**1,213.8**
PER SHARE DATA (HK CENTS)						
Earnings per share – basic		26.1	29.1	38.7	41.6	**28.7**
Dividend per share		14.0[2]	20.0[3]	25.0[4]	27.0[5]	**38.0**[6]
Net asset value per share[7]		316.9	329.1	341.9	355.4	**358.5**
KEY RATIOS (%)						
Gross profit margin		13.6%	13.0%	15.9%	17.0%	**18.8%**
Net profit margin		5.6%	6.1%	9.6%	9.6%	**6.7%**
Return on assets		5.4%	5.9%	7.6%	7.8%	**5.4%**
Return on equity		8.3%	9.0%	11.4%	11.7%	**8.0%**
Dividend payout ratio		53.4%	67.5%	64.3%	65.0%	**132.4%**

(1) Net cash is calculated by cash and bank deposits minus bank borrowings and overdrafts
(2) Included interim dividend of HK4.0 cents
(3) Included Interim dividend of HK4.0 cents and special dividend of HK$6.0 cents
(4) Included Interim dividend of HK4.0 cents, special interim dividend of HK4.0 cents and special dividend of HK8.0 cents
(5) Included Interim dividend of HK4.0 cents, special interim dividend of HK4.0 cents and special dividend of HK8.0 cents
(6) Included Interim dividend of HK4.0 cents, special interim dividend of HK4.0 cents and special dividend of HK16.0 cents
(7) Based on issued share capital excluding treasury shares at the end of the year

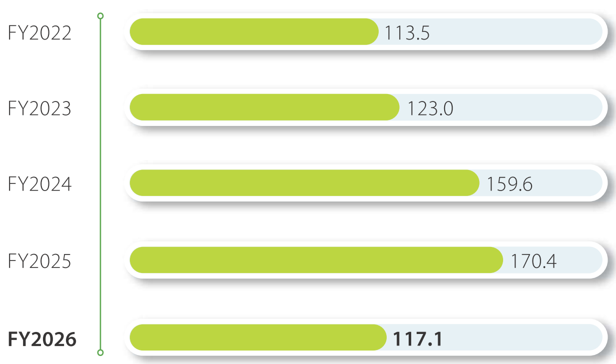
REVENUE

HK$ million



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

HK$ million



FINANCIAL REVIEW

REVENUE

The Group's FY2026 revenue decreased by 4.0% to HK$1,660.2 million from HK$1,729.1 million in FY2025. Industrial and Commercial Electronics ("**ICE**") segment recorded a 6.2% increase in revenue from HK$1,362.1 million in FY2025 to HK$1,446.1 million in FY2026 while Consumer Electronics ("**CE**") segment recorded a decrease of 41.6% to HK$214.1 million in FY2026 from HK$367.0 million in FY2025.

The increase in ICE revenue was mainly driven by the revenue contribution from new ICE customers, offset by the decrease in demand from some existing ICE customers. The revenue decline in CE segment was mainly contributed by the decrease in demand from the legacy customer in traditional consumer lifestyle products. The Group has largely phased out traditional consumer lifestyle products from its CE segment by the end of FY2026 due to the low margins and limited scale.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit for FY2026 increased by 6.3% to HK$312.1 million (FY2025: HK$293.7 million), while gross profit margin increased to 18.8% (FY2025: 17.0%). The increase in gross profit margin was mainly attributable to a shift to higher margin sales mix.

OTHER INCOME AND GAINS, NET

The Group's other income decreased by 19.3% to HK$46.8 million (FY2025: HK$58.0 million), which was mainly due to the decrease in interest income as US Fed lowered interest rate during the year.

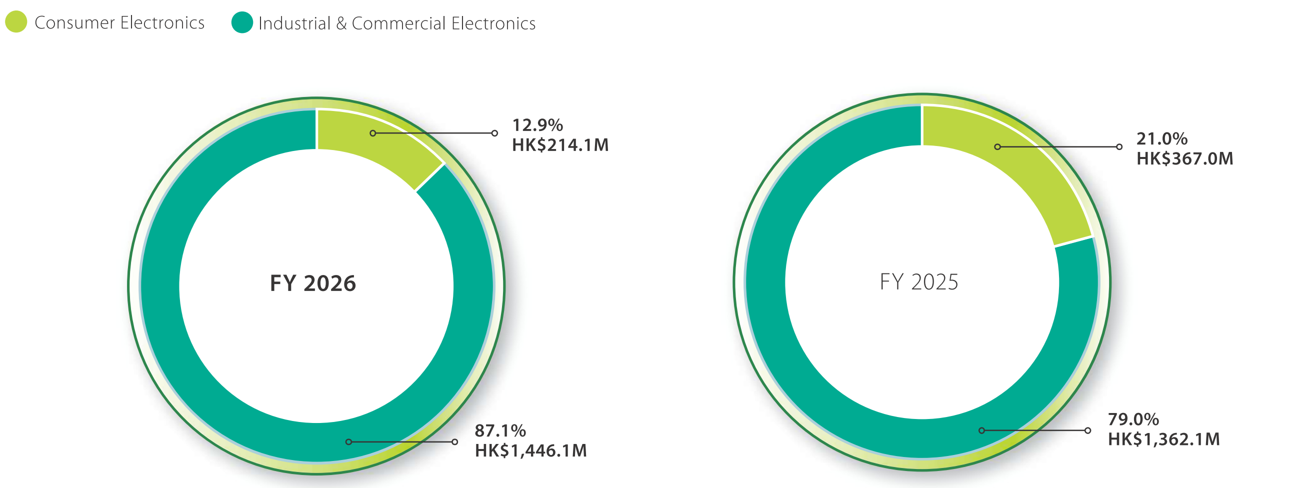
SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses increased by 15.9% to HK$21.4 million (FY2025: HK$18.5 million), primarily due to changes in the sales mix.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses increased by 3.2% to HK$163.0 million (FY2025: HK$157.9 million). The increase was mainly due to the increase in operating scale in Vietnam.

REVENUE CONTRIBUTION
HK$ million



FINANCIAL REVIEW

GAIN/(LOSS) IN RELATION TO TRIO AI INVESTMENT

In 2024, the Group engaged a consulting firm to evaluate the market outlook for AI infrastructure services in Hong Kong, at a time when Hong Kong's access to top-tier GPUs was becoming increasingly constrained. Based on the findings of this research, the Group considered that there was a clear market thesis supporting growing AI adoption in Hong Kong amid US-China trade restrictions, and that PRC-developed GPU capacity could help address a genuine supply gap for local AI computing resources.

In June 2024, a wholly-owned subsidiary of the Group established a 55%-owned subsidiary, Trio AI Limited ("**Trio AI**"), in partnership with Sinnet Cloud HK Limited ("**SinnetCloud HK**"), to offer GPU and artificial intelligence-related value-added cloud services in Hong Kong by leasing PRC developed GPUs and related ancillary hardware owned by Computing Assets Limited, a wholly owned subsidiary of the Group, under an equipment leasing arrangement.

However, market adoption evolved differently from what had been anticipated. Although the PRC developed GPUs bought by the Group were designed to be compatible with top-tier GPU ecosystems, customer adoption was slower than projected, and demand for GPU-enabled services offered by Trio AI did not materialise at the pace required to support its business plan. This was particularly evident among commercial users, who were more familiar with established top-tier GPU ecosystems and overseas cloud service providers.

To strengthen Trio AI's capital base and support its commercialisation, Yee Hop Holdings Limited ("**YHL**"), a Hong Kong-listed company principally engaged in the provision of foundation, civil works and tunnelling works in Hong Kong, was admitted as a new investor in Trio AI in September 2025. YHL was expected to provide access to its extensive network within Hong Kong's infrastructure sector, which could potentially accelerate Trio AI's commercialisation.

YHL subscribed for 15,000,000 new ordinary shares in Trio AI for HK$15.0 million in September 2025, with completion taking place in October 2025. Upon completion, YHL became Trio AI's majority shareholder with a 51.7% equity interest, while the Group's interest was diluted to 26.6% and its initial joint venture partner, Sinnet Cloud Hong Kong, held the remaining 21.7%.

Based on the latest information available to the Company, despite the additional capital resources and access to a broader potential customer network, Trio AI has not achieved sufficient commercial traction.

Taking into account uncertainties relating to Trio AI's business outlook, funding requirements and commercialisation progress, the Group recognised impairment provisions in FY2026 in respect of the Group's investment in, and equipment leased to, Trio AI and the GPUs and related ancillary hardware acquired but not yet deployed for use.

The gain/(loss) relating to Trio AI Investment during the year are summarised as follows:

	HK$'000
Impairment loss on property, plant and equipment and related lease receivable (i)	(45,000)
Impairment losses on financial assets (ii)	(2,177)
Gain on deemed disposal of a subsidiary (iii)	9,401
Share of loss of an associate (including the share of loss of HK$2,821,000 and impairment of investment of HK$2,569,000)	(5,390)
Loss (net of non-controlling interests) during the period under the Group's control	(5,262)
Total	**(48,428)**

Notes:

(i) Representing impairment on GPUs and related ancillary hardware.

(ii) Representing impairment on the loans to Trio AI.

(iii) Representing the gain upon deconsolidation dilution, where the Group's equity interest in Trio AI was diluted from the initial 55.0% to 26.6%.

INCOME TAX EXPENSES

Income tax expenses for FY2026 increased by 133.8% to HK$19.3 million from HK$8.2 million in FY2025. The increase was primarily attributable to the full utilisation during the year of tax losses carried forward from prior years by a subsidiary, as well as a change in the tax concession status of a subsidiary in Vietnam.

The Vietnam subsidiary was entitled to tax incentives comprising a two-year tax exemption followed by a 50% tax reduction for the subsequent four years, commencing from its first profit-making year. During FY2026, the subsidiary entered the third year of the incentive period, during which the 50% tax reduction applied, compared with a 100% tax exemption in FY2025.

PROFIT FOR THE YEAR

As a result of the above, the profit for the year decreased by 33.1% to HK$111.4 million (FY2025: HK$166.5 million).

DIVIDEND

A final dividend of HK14.0 cents per share and a special dividend of HK16.0 cents per share have been proposed for FY2026. Together with the Interim Dividend of HK4.0 cents per share and Special Interim Dividend of HK4.0 cents paid in December 2025, aggregate dividend for FY2026 is HK38.0 cents per share (FY2025: HK27.0 cents per share).

FINANCIAL REVIEW

RECONCILIATION OF PROFIT BEFORE TAX EXCLUDING THE IMPACT OF TRIO AI INVESTMENT

The following reconciliation is used by management to evaluate the operating performance of the Group's core Electronics Manufacturing Services ("**EMS**") business, excluding the gains and losses in relation to Trio AI Investment, details of which are set out in the above paragraph "GAIN/(LOSS) IN RELATION TO TRIO AI INVESTMENT".

The presentation is considered to enable investors and reader to better understand and evaluate the operating performance of the Group's EMS business for the current financial year.

	12 months ended 31 March 2026 (Unaudited)	12 months ended 31 March 2025 (Unaudited)
	HK$'000	HK$'000
Operating profit	136,790	175,351
Impairment loss on property, plant and equipment and related lease receivable*	45,000	–
Impairment losses on financial assets*	2,177	–
Gain on deemed disposal of a subsidiary*	(9,401)	–
Loss (net of non-controlling interests) during the period under the Group's control	5,262	–
Adjusted operating profit	**179,828**	**175,351**
Finance costs	(682)	(620)
Adjusted profit before income tax	**179,146**	**174,731**

* Adjusted for gains and losses in relation to Trio AI Investment.

FINANCIAL POSITION AND CASH FLOWS

As at 31 March 2026, the Group had 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).

The Group's trade receivables decreased by HK$69.2 million from HK$373.4 million as at 31 March 2025 to HK$304.2 million as at 31 March 2026. The Group's trade payables decreased by HK$42.2 million from HK$273.6 million as at 31 March 2025 to HK$231.4 million as at 31 March 2026. The Group's inventories increased by HK$27.2 million from HK$171.7 million as at 31 March 2025 to HK$198.9 million as at 31 March 2026.

The working capital of the Group as at 31 March 2026, which is the sum of trade receivables and inventories less trade payables, was HK$271.7 million (31 March 2025: HK$271.5 million). The slight increase in net working capital, reflecting the movement in trade receivables, inventories and trade payables, was mainly due to an increase in inventory in line with the Group's operational planning, and a temporary decrease in trade payables due to the timing of supplier payments, partially offset by a decrease in trade receivables driven by a change in sales mix.

As at 31 March 2026, the Group had cash and cash equivalents of HK$1,213.8 million (31 March 2025: HK$1,093.8 million). Over 98% of its cash and cash equivalents were placed in reputable financial institutions in Hong Kong and Singapore. The remaining balance of the cash and cash equivalents, mainly in the PRC and Vietnam, was placed in equivalent reputable financial institutions. The cash and cash equivalents are reviewed by the Group's auditors.

The Group had no bank borrowings as at 31 March 2026 (31 March 2025: Nil).

OPERATIONS REVIEW

SEGMENTAL UPDATE

The ICE segment delivered growth in FY2026 as revenue contributions from new customers made up for the softer demand from certain existing customers. The Canada-based network access solutions provider was a stand-out performer that provided healthy revenue growth in the segment. This customer operates within a relatively stable trade environment under the United States-Mexico-Canada Agreement, providing a measure of predictability amid broader global trade uncertainty. To further build the pipeline for the ICE segment, the Group is pursuing an automotive customer for products used in super duty trucks and hybrid vehicles, in addition to new projects from certain existing customers.

In the CE segment, revenue declined mainly due to the phase-out of legacy products such as electric shavers and toothbrushes in the traditional consumer lifestyle category, which had insufficient scale and margin. This phase-out, which had been signalled in FY2025, was substantially completed during the year. Concurrently, revenue from our entertainment-focused customer continued to grow, supported by new project awards relating to additional experience series and the expanding application of immersive technologies in theme parks. While their contribution is expected to progressively increase, it is not anticipated to fully offset the revenue reduction from the phased-out legacy products in FY2027.

ONGOING SMART FACTORY JOURNEY

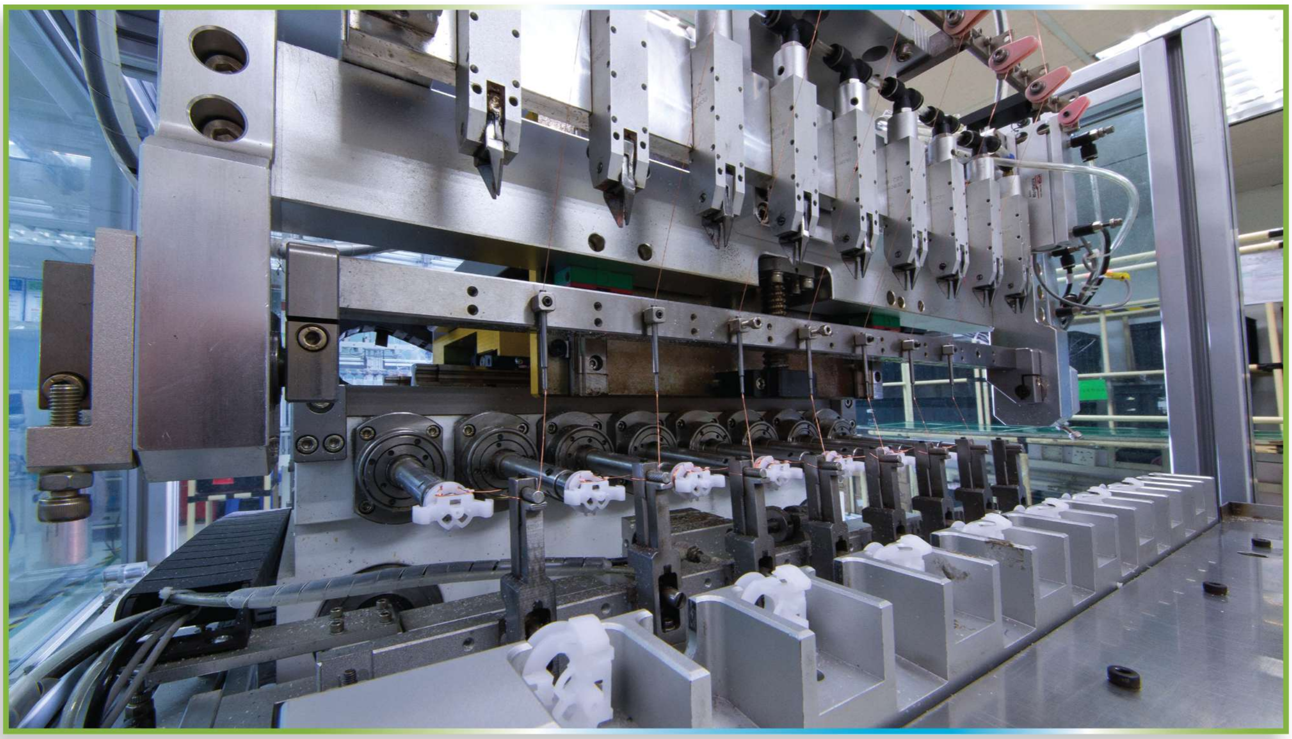
The Group continued its Smart Factory Transformation journey in FY2026, building on the digital foundation established in previous years and extending its capabilities through the introduction of Generative AI. During the year, we made meaningful progress in strengthening process digitalisation, improving cross-campus visibility, and enhancing the efficiency and consistency of knowledge transfer between our China and Vietnam facilities.

Manufacturing Execution System ("MES") advancement: The Group advanced its MES roadmap with a continued focus on the digitalisation of New Product Introduction ("**NPI**"), which encompasses process development, process optimisation, and process controls. Digital checklists now enforce compliance during Design and Production Validation Testing, reducing deviations, while real-time dashboards provide updates on build progress, test results, and quality metrics to support faster troubleshooting and cross-campus co-ordination. By providing teams across different manufacturing sites with timely visibility over project status and quality performance, these dashboards enable faster issue escalation, more consistent execution, and closer alignment among engineering, quality, and production teams. These MES advancements have reduced manual intervention, automated administrative tasks, and empowered staff to focus on higher-value problem-solving, collectively enhancing operational agility, staff efficiencies and multi-site execution.

Generative AI for Cross-Site SOP Standardisation: A key new initiative in FY2026 was the deployment of Generative AI to accelerate the creation and translation of Standard Operating Procedures ("**SOPs**"). Through a customised AI Document System connected to the Group's locally deployed AI server, manufacturing engineers are now able to generate and translate SOPs more efficiently for product transfer from China campus to Vietnam, covering process steps, tooling specifications, and quality checks, using process parameters as inputs.

This has reduced time-consuming manual drafting, improved the consistency and quality of SOPs and work instructions, and shortened translation turnaround time across the Group's China and Vietnam facilities. By automating SOP translation across the Vietnamese, English, and Chinese languages, the system helps ensure that operators at the Vietnam factory receive instructions that are consistent with those used at the China factory, strengthening process alignment across the Group's dual-site operations.

OPERATIONS REVIEW



VIETNAM CAMPUS: CAPACITY EXPANSION AND NEW CERTIFICATION

The Group commenced renovation of the third floor of the Vietnam facility in FY2025, and this expansion was completed during the year, increasing the production floor capacity by approximately 40%. The added production floor space positions the Group to cater to increased demand from an existing customer and upcoming products in the pipeline while providing flexibility to scale operations as customer requirements evolve.

A particularly significant achievement for the Vietnam Campus in FY2026 was the attainment of IATF 16949 certification, the internationally recognised quality management standard for the automotive sector. Following certification, the Vietnam Campus also passed its IATF 16949 sustaining audit in April 2026, further demonstrating the robustness of its quality management systems. This certification strengthens the Group's credentials in the automotive space and positions the Vietnam facility to undertake a broader range of automotive products as its customer pipeline matures.

The Vietnam Campus is a key pillar of the Group's regional manufacturing strategy, complementing the China Campus which continues to serve as the Group's hub for core technology development. Together, the dual-site operations reinforce Valuetronics' operational resilience and adaptability in an increasingly complex macroeconomic environment, while supporting the Group's long-term ambition to deepen its regional manufacturing footprint.

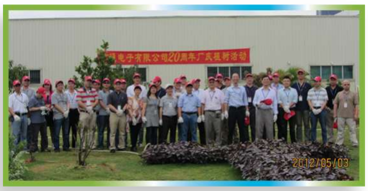
OUTLOOK

Looking ahead, the Group expects the operating environment to remain fluid and uncertain. The U.S. trade policy landscape remains complex and continues to create uncertainty for international trade, with potential implications for costs and supply chains.

Although recent diplomatic developments in the Middle East offer some prospect of easing regional tensions, residual disruptions to crude oil-based material costs and logistics expenses may persist as conditions stabilise. At the same time, strong demand for components used in AI infrastructure has continued to absorb semiconductor manufacturing capacity, which may affect the cost and lead time of conventional component supplies and result in margin pressure. The Group has observed that prices of certain materials, including resin-related products, connectors, memory chips and printed circuit boards, have already increased to varying degrees. In addition, selected components are subject to allocation constraints and longer lead times, adding further pressure to procurement planning and supply-chain management.

The Group remains mindful of the impact of macroeconomic sentiment and supply-chain uncertainties. By leveraging its regional manufacturing footprint in Vietnam and China, the Group will continue its efforts in customer diversification while maintaining its focus on operational efficiency.

KEY MILESTONES



2026
- Revised Dividend Policy

2025
- Capacity expansion at Vietnam Campus

2022
- Vietnam Campus commenced mass production

2019
- Established manufacturing footprint in Vietnam

2017
- Received a 2016 Above & Beyond – Pinnacle Award for Supplier Excellence from Delphi

2015
- Accredited with TS16949 Quality Management System and acquired first customer in the automotive industry

2014
- Adoption of formal dividend policy

2013
- Completed more than 40 in-house Process Automation Projects

2012
- Commemorated 20th anniversary
- Revenue crossed HK$2 billion mark

2010
- Branded air purifiers shipped to US market
- Implemented Lean Manufacturing Programme to improve production and process automation

2009
- Completed relocation of back office functions including general management, computer and engineering centres to Daya Bay Facility
- Acquired In Vitro Diagnostic ("**IVD**") medical equipment co-developer and manufacturer and completed pilot shipment of IVD equipment

2008
- Completed construction of the Phase 1 of Daya Bay Facility and commenced systematic project transfers of major customers to the facility

2007
- Listed on SGX-Mainboard
- Commenced construction for the 35,000 sqm production area of Phase 1 of Daya Bay Facility

2003
- Adoption of work cell management and updated to ISO9001:2000

2002
- Use of ROHS equipment and accredited with TL9000

1992
- Incorporated and headquartered in Hong Kong with manufacturing facilities established under the Processing Arrangement in Guangdong Province, PRC

BOARD OF DIRECTORS

MR TSE CHONG HING

Chairman and Managing Director

First Appointed: 25 August 2006
Last re-elected: 22 July 2024

Tse Chong Hing is the Chairman and Managing Director of our Company. He joined the Group in November 1996 as the Assistant to the then Managing Director. He is responsible for strategic planning and the general management of our Group. Mr Tse has over 30 years of experience in finance and operations management in the electronics manufacturing industry. He is a Fellow of the Hong Kong Institute of Certified Public Accountants. He holds a Diploma in Business Studies from the Hang Seng School of Commerce and a Postgraduate Diploma in Management Studies from the Hong Kong Polytechnic.

MR CHOW KOK KIT

Executive Director

First Appointed: 25 August 2006
Last re-elected: 28 July 2025

Chow Kok Kit is one of the founders of the Group and an Executive Director of our Company. He is responsible for the design and development ("**D&D**") as well as purchasing functions of our Group. Mr Chow has over 30 years of experience in the electronics manufacturing industry. He specialises in the D&D of telecommunication and computer products, and holds an Associateship in Mechanical Engineering and a Higher Certificate in Mechanical Engineering from the Hong Kong Polytechnic.

BOARD OF DIRECTORS

MR LIU CHUNG MUN WILSON

Lead Independent Director

First Appointed: 1 August 2022
Last re-elected: 17 July 2023

Committees: Audit Committee – Chairman, Nominating Committee and Remuneration Committee – Member

Liu Chung Mun Wilson was appointed as our Lead Independent Director on 21 July 2023. Mr Liu started his career with PricewaterhouseCoopers ("**PwC**") in Hong Kong and has over 30 years of experience in audit and business advisory services in mainland China, Hong Kong and Australia. In 1995, Mr Liu joined PwC Zhong Tian LLP, Beijing Branch and became partner in 1997. He relocated to the firm's Guangzhou Branch in 2015 until his retirement from the partnership of the firm in 2020. During his years at PwC Zhong Tian LLP, Mr Liu was a core member of the China Assurance Leadership Team and a member of the Board of Partners (Supervisory Board) from 2007 to 2013 where he held key roles in the sub-committees of the Governance Board for PwC Greater China and Singapore. In addition, Mr Liu was also the Greater China Automotive Industry Leader, Japanese Business Network Leader and Assurance Human Capital Partner.

Mr Liu is an independent non-executive director of Foran Energy Group Co., Ltd., listed on the Shenzhen Stock Exchange, PGG Wrightson Limited, listed on the New Zealand Stock Exchange, and Guotai Junan International Holdings Limited, listed on the Hong Kong Stock Exchange. He holds a Bachelor of Commerce from the University of Western Australia, Australia. Mr Liu is also a member of the Chartered Accountants Australia and New Zealand, and a fellow member of CPA Australia and the Hong Kong Institute of Certified Public Accountants. He was the President of the CPA Australia North China Committee from 2005 to 2006 and is currently a Council Member.

MR STEPHEN HO CHIMING

Independent Director

First Appointed: 21 July 2023
Last re-elected: 22 July 2024

Committees: Nominating Committee – Chairman, Audit Committee and Remuneration Committee – Member

Stephen Ho ChiMing served as a senior advisor to the Institutional Banking Group ("**IBG**") of DBS Bank Ltd ("**DBS**"), Taiwan, a role he held between July 2018 and December 2023. He has over 30 years of investment banking experience that spans M&A advisory, equity, and debt capital markets and project/leveraged finance, with a specialisation in the Telecom, Media, and Technology sector between 1991 and 2011. His banking career began in 1989 at the Mergers and Acquisitions Group of Chase Manhattan Bank New York (later JP Morgan Chase). In June 2001, he joined DBS as a managing director in the IBG of DBS in Singapore and was appointed the CEO of DBS Asia Capital, Hong Kong, from May 2011 to July 2013. Mr Ho holds a Bachelor of Science in Construction Engineering from Iowa State University, a Master of Science Civil Engineering from Massachusetts Institute of Technology, and a Master of Business Administration (Finance) from the Wharton School, University of Pennsylvania. Currently, he also serves as the Lead Independent Director of SGX-listed Azeus Systems Holdings Ltd and as an Independent Director of SGX-listed Asian Pay Television Trust.

BOARD OF DIRECTORS

MS LIU YUEN WEAI SANDY

Independent Director

First Appointed: 22 July 2024
Last re-elected: 28 July 2025

Committees: Remuneration Committee – Chairman, Audit Committee and Nominating Committee – Member

Liu Yuen Weai Sandy has over 20 years of experience and deep expertise in the financial services industry. She has been the CEO and Director of a Single Family Office in Singapore and Director (Sweden) of DealPotential since 2023. From 2014 to 2022, she served in UBS AG, Global Wealth Management as Co-Head CIO Global IM APAC Wealth Planning and Life Insurance, and core member of Global and APAC Management Committees (Singapore). From 2008 to 2014, she worked at Morgan Stanley in Hong Kong and Singapore. Prior to banking, she was a tax lawyer at Loyens & Loeff in the Netherlands and in the UK. Ms Liu has a Master of Laws (LL.M.) degree in Tax Law from Erasmus University Rotterdam, Netherlands, and a Master of Laws (LL.M.) degree in Tax Law from the University of London. She has also obtained an MBA degree from INSEAD, Fontainebleau, France and is a CFA® Charterholder.

KEY MANAGEMENT

MR HUANG JIAN YUAN

Vice President, Operations

Huang Jian Yuan joined our Group in September 2007 as Operations Manager and promoted to Vice President, Operations in April 2012. He now oversees the PRC factory operations in our Group. His areas of responsibilities include SMT Manufacturing, Production Management, Manufacturing Engineering, Production Control, Warehouse/Logistics, Operation Excellence and Quality Management.

Mr Huang has more than 30 years of experience in programme and operation management with various EMS companies. Prior to joining the Group, he was the director of business units with Beyonics, operations general manager with RTI Tech in Singapore and plant manager with Flextronics China. He holds a Bachelor of Engineering degree from National University of Singapore and a Graduate Diploma in Business Administration with Singapore Institute of Management.

MR LOIC MESTON

Vice President, Business Development

Loic Meston is our Group's Vice President of Business Development. He joined our Group in October 2003. He is responsible for our Group's business development global activities and manages strategic growth projects. He is also responsible for providing our D&D team with market analysis on product trends and regulatory requirements.

Mr Meston has over 30 years of experience in sales, marketing and product development. He holds a degree in engineering from the Central School of Marseille, France, and a Master of Business Administration degree from the University of Rochester, USA.

MR JOSEPH LUI KA HO

Chief Financial Officer

Joseph Lui is our Group's Chief Financial Officer. He joined our Group as Financial Controller in October 2012 and was promoted to Group Financial Controller in November 2013. Since then, Mr Lui has been overseeing the Group's finance and accounting functions, including treasury, tax planning, enterprise risk management, investor relations, internal and external reporting matters of the Group. Mr Lui was promoted to Chief Financial Officer in June 2017.

Prior to joining the Group, Mr Lui was a Senior Audit Manager with PricewaterhouseCoopers from 2003 to 2012 where he first served the Hong Kong office before being seconded to the Beijing office. During his service in PricewaterhouseCoopers, he was involved in a number of successful initial public offerings and overseas mergers and acquisition projects. Mr Lui is fellow member of CPA Australia and member of the Hong Kong Institute of Certified Public Accountants. He graduated with a Bachelor degree in Commerce from Monash University in Australia.

CORPORATE GOVERNANCE REPORT

Valuetronics Holdings Limited (the "Company") and its subsidiaries (together, "the Group") are committed to setting and maintaining high standards of corporate governance within the Group so as to preserve and enhance the interests of all shareholders. The Board and Management firmly believe that good corporate governance is key to the integrity of the Group and fundamental to the long-term sustainability of the Group's business and performance.

This Corporate Governance Report (the "Report") describes the Company's corporate governance practices with specific reference to each of the principles and provisions set out in the Code of Corporate Governance 2018 (the "2018 Code").

The Board confirms that, as at the date of this Report, the Company has adhered to and complied with the principles and provisions set out in the 2018 Code, other than deviations in respect of the following, appropriate explanations for which have been provided in this Report:

(i) Provisions 3.1 and 3.2
(ii) Provision 8.2
(iii) Provision 11.4

BOARD MATTERS

Principle 1: The Board's Conduct of Affairs
The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

<u>Provision 1.1</u>

The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company and the Group. In addition to its statutory duties and responsibilities, the Board also performs the following key functions:

(a) Provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

(b) Review and approve business plans, including annual budgets and approve key strategic and operational matters, financial and funding decisions;

(c) Oversee and review the business of the Group and monitor financial performance;

(d) Establish and oversee processes for evaluating the adequacy and effectiveness of internal controls (including financial, operational, compliance and information technology controls) and risk management systems annually;

(e) Set appropriate tone-from-the-top and desired organisational culture, and ensure proper accountability within the Company;

(f) Set the Company's values and standards (including ethical standards);

(g) Work with Management for the long-term success of the Company, review Management's performance and hold Management accountable for performance; and

(h) Assume responsibility for corporate governance and sustainability issues.

The Board discharges its duties and responsibilities as fiduciaries objectively exercising diligence and independent judgement at all times.

Every Director is required to disclose any conflict or, potential conflict of interest, whether direct or indirect, in relation to a transaction or, proposed transaction, with the Company. In a conflict of interest situation, a Director recuses/abstains himself/herself from discussions and decisions involving the matter/issue of conflict.

CORPORATE GOVERNANCE REPORT

Provision 1.2

The Company has an induction program for newly appointed Directors to familiarize themselves with the Group's business, operations, relevant rules, regulation and governance practices as well as their duties and obligations as directors. Site visits to the Group's manufacturing facilities are conducted to brief new Directors on the Group's operations and business.

In addition to the induction program, newly appointed Directors who do not have prior experience as director of a company listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") are also required to attend the mandatory training as prescribed by SGX-ST, in accordance with Rule 210(5)(a) and Practice Note 2.3 of SGX-ST Listing Manual ("Mandatory Training Requirement").

There was no new director appointed during the financial year ended 31 March 2026 ("FY2026").

Annual site visits to the Group's manufacturing facilities ("Site Visits") are conducted to provide Directors with updates and understanding of the Group's business operations. During such visits, Directors interact with Key Management Personnel who brief the Directors on the Group's facilities, development, products and business operations. All Directors visited the PRC factory during FY2026, to inspect the manufacturing facilities, talk to management staff and understand the business and operations on the ground.

The Board recognizes the importance of ongoing director education and to facilitate this process, all Directors are encouraged to keep updated on developments relevant to the Company's business and, changes in laws and regulations. All Directors are encouraged to attend relevant courses, seminars and/or talks organized by regulatory bodies and professional institutions, such as the Accounting and Corporate Regulatory Authority of Singapore ("ACRA"), Singapore Institute of Directors, the Singapore Stock Exchange ("SGX"), and public accounting firms, at the Company's expense.

The Company Secretary provides the Board with updates on changes to Listing Rules, Corporate Governance and other regulatory requirements, on a regular basis.

During the year, the Directors attended training courses and seminars covering a broad range of topics, including corporate governance, regulatory compliance, ESG and sustainability, accounting and financial reporting, artificial intelligence, cybersecurity, digital transformation, and risk management. The key areas covered by each Director are set out below:

Director	**Key Areas of Training**
Mr Tse Chong Hing	• Artificial Intelligence, Digital Transformation, Data Analytics and Cybersecurity • Accounting, Financial Reporting and Disclosure Requirements • Compliance, Governance, Ethics and Risk Management
Mr Liu Chung Mun Wilson ("Wilson Liu")	• Ethics, Compliance and Corporate Governance • Sustainability, ESG and Climate Risk • Artificial Intelligence and Accounting • Directors' Duties and Listed Company Governance
Ms Liu Yuen Weai Sandy ("Sandy Liu")	• Remuneration Governance and Board Committee Matters

The Company does not issue formal letters to Directors setting out their duties and obligations, upon appointment, as Directors having consented to act, are bound by legislative and regulatory requirements.

CORPORATE GOVERNANCE REPORT

Provision 1.3

Board approval is required for any matter which is likely to have a material impact on the Group's operating divisions and/or financial positions.

The Group has in place internal guidelines on matters that require Board approval, including the appointment of Directors, major funding and investment proposals, and material capital expenditures and disposal of assets, corporate or financial restructuring, share issuance and buy-back, dividends and corporate strategies. These have been clearly communicated to Management in writing.

Provision 1.4

The Board is supported by a number of committees who assist in the discharge of its responsibilities and to enhance the Group's corporate governance framework. These committees comprise the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"), which have been delegated with specific authority and function and would submit their recommendations or decisions to the Board. Board Committees are chaired by Independent Non-Executive Directors.

The responsibilities of Board Committees are set out in their respective terms of reference which are aligned with the 2018 Code. Further information on the AC, NC and RC, including names of the Board Committees' members and summaries of activities, are set out in the various sections in this Report.

Provision 1.5

The Board conducts regular scheduled meetings on a quarterly basis to keep the Board apprised on the Group's financial position, business activities and the overall business environment in which the Group operates and, to review and approve the release of the half-year and full-year results announcements.

Dates for Board and Board Committee meetings and the Annual General Meeting are scheduled in advance to facilitate the attendance of all Directors. Ad-hoc meetings are held as and when required to address significant issues that may arise.

The Company's Bye-Laws provide for meetings to be held via telephone, electronic or other communication facilities which permit all persons participating in the meeting to communicate with each other simultaneously. When a physical meeting is not possible, timely communication with the Directors is achieved through electronic means and the Board/Board Committees' approval is sought for important and critical matters concerning the Company via circulation of written resolutions.

The number of Board and Board Committee meetings held during the financial year and the attendance of the Directors at such meetings are set out below:

Meeting of	**Board**	**AC**	**NC**	**RC**
No. of meetings held in FY2026	**5**	**4**	**1**	**1**
Executive Directors				
Tse Chong Hing	5	*4	*1	*1
Chow Kok Kit	5	*4	*1	*1
Independent Non-Executive Directors				
Wilson Liu	5	4	1	1
Stephen Ho ChiMing ("Stephen Ho")	5	4	1	1
Sandy Liu	5	4	1	1

* Executive Directors are invited to attend Board Committee meetings.

CORPORATE GOVERNANCE REPORT

The NC has adopted internal guidelines to address competing time commitments of Directors who serve on multiple boards and have other principal commitments. The Board has determined that a Director should serve on not more than 6 boards of listed companies. The NC has considered, and is of the opinion, that the limit of 6 listed company board representations held by the Directors of the Company would not impede the time allocated in carrying out their duties/obligations to the Company. At present, no Director has reached the limit set by the Board.

Provision 1.6

Management provides the Board with complete and adequate information on a timely basis to enable Board members to make informed decisions and discharge their duties and responsibilities. Such information includes, amongst others:

- documents on matters to be discussed at Board meetings, which are circulated to Board members in advance; and
- financial statements, management reports and relevant forecast and analysis of the Group's results on a quarterly basis and/or as and when required,

to enable the Board to make informed assessment of the Group's performance, financial position and prospects. The Managing Director also provides updates on the Group's business, prospects and other developments impacting the Group, at scheduled meetings and, whenever circumstances warrant. The aforesaid reports/updates enable the Board to be kept abreast of key issues and developments, as well as opportunities and challenges, within the Group and the industry.

In accordance with SGX-ST's requirements, the Board issued negative assurance statement in its announcement of the financial results for the six months ended 30 September 2025, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect. The negative assurance statement was backed by written representation of the Managing Director and Chief Financial Officer.

Provision 1.7

All Directors have separate and independent access to the Group's senior management and the Company Secretary. Whenever necessary, Directors and/or, the Board may at the Company's expense seek independent professional advice in furtherance of their duties.

The Company Secretaries provide secretarial support to the Board and ensure adherence to Board procedures and compliance with relevant rules and regulations, applicable to the Company. The Company Secretary attends all Board and Board Committee meetings. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

Principle 2: Board Composition and Guidance
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1
Provision 2.2
Provision 2.3

The Board currently comprises 2 Executive Directors and 3 Independent Non-Executive Directors ("INEDs").

In compliance with the 2018 Code, INEDs form a majority of the Board and includes 1 female Director.

Executive Directors

Mr Tse Chong Hing – Chairman & Managing Director
Mr Chow Kok Kit – Executive Director

CORPORATE GOVERNANCE REPORT

Independent Non-Executive Directors

Mr Wilson Liu – Lead Independent Director & Chairman of Audit Committee
Mr Stephen Ho – Chairman of Nominating Committee
Ms Sandy Liu – Chairman of Remuneration Committee

Provision 2.4

The NC and Board consider the current structure, size and composition of the Board and Board Committees appropriate for the Group's present scope and nature of operations, which facilitate effective decision making, where no individual dominates the Board's decision-making process. The NC and Board also consider the current mix and composition of the Board reflects the Company's commitment to Board diversity. The Company has 1 female member (representing 20%) and 3 INEDs (representing 60%) on the Board of 5 members. The Board has the appropriate level of independence and comprises Directors with different backgrounds, experience and qualifications/specialization. The Directors as a group possesses the appropriate balance and diversity of skills, experience, knowledge and gender to provide the Company with the requisite core competencies in areas such as accounting, business, management, finance, engineering and industry knowledge, allow for diverse and objective perspectives on the Group's business direction and growth as well as help to avoid group think and foster constructive debate. Management will continue to benefit from the Directors' respective expertise and diverse backgrounds.

The Company recognizes the benefits of having a diverse Board and has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The NC is responsible to review and monitor its implementation and will recommend appropriate changes to the Board for consideration and approval.

Diversity Targets and Progress in FY2026

Nature of Diversity	Targets	Status
Board Independence	Maintain at least 50% independence on the Board	With INEDs forming 60% of the Board, the target of maintaining at least 50% Board independence has been met.
Gender Diversity	At least 1 female representation on the Board	Gender diversity was achieved with the appointment of Ms. Sandy Liu as an INED.
Skills Diversity	At least one director with financial management core skill set	One of the INED, Mr Wilson Liu, is a former partner of a Big 4 accounting firm. The target has been met.

The NC and Board have agreed that the Company's Legal Diversity target can be outsourced and, need not be retained be within the Board. On the other hand, there is no necessity to set specific target for ethnicity/nationality so long as the candidate possesses the right characteristics and qualities to complement and expand the Board's skill sets.

A skills matrix is employed to identify any competency gaps. Based on the following Directors' Experience and Skills Matrix, the current Board members comprise business leaders and professionals from accounting, auditing, management, engineering, banking and finance backgrounds, who contribute valuable expertise and insights to board discussions and deliberations whilst maintaining well-balanced, independent and objective viewpoints. With the concurrence of the NC, the Board is of the view that the current size and composition of the Board is appropriate, having taken into consideration the nature and scope of the Group's operations and the Board's contribution to the Group.

CORPORATE GOVERNANCE REPORT

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, gender, 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 from suitably diverse backgrounds to meet the Group's operational and business requirements. The Company remains committed to implementing the Board Diversity Policy and any further progress made towards implementation of the policy will be disclosed in future Annual Reports.

Directors' Experience/Skills Matrix

Directors **Experience/Skills**	**Tse Chong Hing**	**Chow Kok Kit**	**Wilson Liu**	**Stephen Ho**	**Sandy Liu**
Industry Experience	√	√			
Senior Management Experience	√	√	√	√	√
Audit & Accounting			√		√
Banking/Corporate Finance				√	√
Mergers & Acquisitions			√	√	√
Engineering		√		√	
Strategic Planning	√	√	√	√	√
Risk Management			√		

Provision 2.5

INEDs contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. They are encouraged to constructively challenge and help develop proposals on strategy. Their views and opinions provide alternative perspectives to the Group's business. When challenging proposals or decisions, they individually bring independent judgment to bear on business activities and transactions involving conflicts of interest and other complexities.

The INEDs communicate amongst themselves both formally at scheduled meetings without the presence of Management and, informally via email or telephone on matters concerning the Company.

Principle 3: Chairman and Chief Executive Officer
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1

The Company has not adopted a dual leadership structure whereby there is a separate Chief Executive Officer and Chairman of the Board. The duties of the Chairman of the Board and the Managing Director of the Company are both assumed by Mr Tse Chong Hing. The Board, with the concurrence of the NC, is of the view that vesting the roles of Chairman of the Board and the Managing Director in the same person, who is knowledgeable in the business of the Group, provides strong leadership and vision, facilitates effective planning and execution of long-term business strategies for sustainable growth. In leading the Board, he ensures that the decision-making process of the Group is not be unnecessarily hindered or, dominated by any person or, group. The Chairman is deeply involved in both management and operations of the Company and thoroughly understands the Group's business. The Board is of the opinion that the Chairman with his background, knowledge, experience and contributions to the Group will facilitate efficient decision-making process and bring greater value to the Group.

CORPORATE GOVERNANCE REPORT

Taking into account the current corporate structure, size, nature and scope of the Group's operations, the Board is of the view that notwithstanding that the Chairman and Managing Director is the same person, there are sufficient safeguards and checks, which include the following, to ensure the independent exercise of objective judgement on affairs and operations of the Group:

(i) The Board is comprised of a majority of INEDs.

(ii) As disclosed in this Report, the Company has appointed Mr Wilson Liu as the Lead Independent Director to provide leadership in any situation where the Chairman is conflicted and to address shareholders' concerns on issues that cannot be appropriately or adequately dealt with by the Chairman and Managing Director or the Chief Financial Officer.

(iii) All the Board Committees are chaired by INEDs and all the Board Committees' members are INEDs.

(iv) The performance of the Chairman is reviewed by the NC, through the conduct of peer evaluation by Board members. The remuneration package of the Chairman is reviewed by the RC.

(v) Major decisions which have a material impact on the Group's business are made collectively by the Board.

(vi) INEDs contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. They are encouraged to constructively challenge and help develop proposals on strategy. Their views and opinions provide alternative perspectives to the Group's business. When challenging proposals or decisions, they individually bring independent judgment to bear on business activities and transactions involving conflicts of interest and other complexities. The INEDs communicate amongst themselves both formally at scheduled meetings without the presence of Management and, informally via email or telephone on matters concerning the Company.

As hereinbefore disclosed, the Board conducts regular scheduled meetings on a quarterly basis to keep the Board apprised on the Group's financial position, business activities and the overall business environment in which the Group operates and to review and approve the release of the half-year and full-year results announcements. Ad-hoc meetings are held as and when required to address significant issues that may arise. When a physical meeting is not possible, timely communication with the Directors is achieved through electronic means and the Board/Board Committees' approval is sought for important and critical matters concerning the Company via circulation of written resolutions.

The Board applies the principle of clear division of responsibilities at the top of the Company. The workings of the Board and the executive responsibility of the Company's business are separated to ensure a balance of power and authority and that no one individual Director has unfettered powers of decision-making. The Board believes that there are sufficient strong and independent elements and adequate safeguards in place against an uneven concentration of power and authority in a single individual.

Provision 3.2

The Chairman –

- leads the Board to ensure its effectiveness on all aspects of its role;
- sets the agenda and ensures that Directors receive complete, adequate and timely information;
- ensures that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promotes a culture of openness and debate at the Board;
- ensures effective communication with shareholders;
- encourages constructive relations within the Board and between the Board and Management;
- facilitates the effective contribution of INEDs in particular; and
- promotes high standards of corporate governance.

CORPORATE GOVERNANCE REPORT

As Managing Director, Mr Tse Chong Hing is responsible for strategic planning and the general management of the Group. Mr Tse oversees the business direction and operations, leads the management team and facilitates effective planning and execution of long-term business strategies.

Provision 3.3

Mr Wilson Liu has been appointed Lead Independent Director ("LID") to provide leadership in any situation where the Chairman is conflicted and to address shareholders' concerns on issues that cannot be appropriately or, adequately dealt with by the Chairman and Managing Director or, the Chief Financial Officer. When necessary, he facilitates meetings or discussions with the other INEDs on board matters and provides his feedback to the Chairman after such meetings.

The other specific roles of LID are as follows:

(a) acts as liaison between the INEDs and the Chairman and Managing Director and leads the INEDs to provide non-executive perspectives in circumstances where it would be inappropriate for the Chairman to serve in such capacity and to contribute a balanced viewpoint to the Board;

(b) advises the Chairman of the Board as to the quality, quantity and timeliness of the information submitted by Management that is necessary or appropriate for the INEDs to effectively and responsibly perform their duties; and

(c) assists the Board and Company officers in ensuring compliance with and implementation of corporate governance practices.

Principle 4: Board Membership
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1

The key responsibilities of the NC are as follows:

(a) to review the structure, size, composition, diversity and skills of the Board;

(b) to determine and assess the independence of Directors;

(c) to make recommendations to the Board on all board appointments;

(d) to recommend the nomination of Directors retiring by rotation to be put forward for re-election;

(e) to review Board succession plans for Directors, in particular, the Chairman, the Executive Directors and Key Management Personnel;

(f) to review the training and professional development programs for the Board and its Directors;

(g) to develop a process for evaluation of the performance of the Board, its Board Committees and Directors;

(h) to assess the effectiveness of the Board as a whole and its Board Committees and the contribution of the Chairman and of each individual Director to the effectiveness of the Board; and

(i) to determine if a Director who has multiple board representations is able to carry out and/or has adequately carried out his/her duties as a Director of the Company.

The Company's Bye-laws provide for the appointment of alternate directors. In line with the Practice Guidance accompanying the 2018 Code, the Company generally avoids the appointment of alternate directors and should any appointment be made, it will be due to exceptional circumstances and for limited periods only. No alternate director was appointed in FY2026.

CORPORATE GOVERNANCE REPORT

Provision 4.2

The NC is regulated by a set of written terms of reference and comprises 3 Directors, all of whom are independent. Currently, the NC is chaired by an INED, Mr Stephen Ho and its members comprise Mr Wilson Liu (who is the LID) and Ms Sandy Liu.

The NC Chairman is not associated with any substantial shareholder of the Company.

Provision 4.3

New appointments to the Board are first considered and reviewed by the NC. Potential candidates are sourced through contacts or, recommendations from Directors. An external consultant may be engaged to source for qualified candidates, if required. Having due regard for the benefits of diversity on the Board, the NC evaluates the suitability of candidates taking into account various aspects, including but not limited to, his/her character, knowledge, skills, experience, gender, age and, his/her ability and willingness to commit time to the Company, before making recommendation to the Board for approval.

The Bye-laws of the Company require all Directors to submit themselves for re-election at least once in every 3 years. In particular, one-third of the Directors shall retire annually by rotation at every Annual General Meeting ("AGM") and newly appointed Directors are required to submit themselves for re-election at the AGM next following their appointment.

Provision 4.4

The NC reviews independence of the Directors annually, and as and when circumstances require, having regard to the definition of independence/circumstances as stated in the 2018 Code and accompanying Practice Guidance and Listing Manual of the SGX-ST. In its annual review for FY2026, the NC has determined Mr Wilson Liu, Mr Stephen Ho and Ms Sandy Liu to be independent, which was concurred by the Board.

In line with Provision 2.1 of the 2018 Code, the NC and Board have also assessed and determined that none of the INEDs has any relationship (whether familial, business, financial, employment, or otherwise) with the Company, its related corporations, its substantial shareholders, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. The INEDs are independent in conduct, character and judgement.

Each member of the NC and of the Board had abstained from deliberation in respect of assessment of his/her own independence.

In addition, the NC is tasked on annual basis, to assess the independence of any Director who has served on the Board beyond 9 years, to particular rigorous review. To facilitate Board renewal, the NC has determined that the length of office of an INED should not exceed 9 years. None of the INEDs have served on the Board for more than 9 years from the date of his/her first appointment.

Provision 4.5

The NC ensures that new directors are aware of their duties and obligations. For FY2026, the NC is satisfied that each Director had accorded sufficient time, attention and effort in fulfilling his/her duties, responsibilities and obligations as a Board member and was able to adequately carry out his/her duties as a Director of the Company.

The Board concurred with the NC's views.

CORPORATE GOVERNANCE REPORT

Key information of Directors as at 26 June 2026 is set out below:

Name	Date of First Appointment	Date of Last Re-election	Directorships or Chairmanships in Other Listed Companies		Other Principal Commitments
			Present	Past (Preceding 5 Years)	
Tse Chong Hing	25 August 2006	22 July 2024	Chairman & Managing Director of Valuetronics Holdings Limited	Nil	–
Chow Kok Kit	25 August 2006	28 July 2025	Executive Director of Valuetronics Holdings Limited	Nil	–
Wilson Liu	1 August 2022	17 July 2023	Independent Director of (1) Foran Energy Group Co Ltd; and (2) Guotai Junan International Holdings Limited (3) PGG Wrightson Limited	Cloudbreak Pharma Inc.	–
Stephen Ho	21 July 2023	22 July 2024	(1) Lead Independent Director of Azeus Systems Holdings Ltd; and (2) Independent Director of Asian Pay Television Trust	Nil	–
Sandy Liu	22 July 2024	28 July 2025	Nil	Nil	–

The profiles of Board members are set out on pages 11 to 13 of the Annual Report.

Principle 5: Board Performance
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1
Provision 5.2

The NC has in place a performance evaluation process where the effectiveness of the Board as a whole, and of each Board Committees separately, and the contribution by each individual Director (including the Chairman) to the Board are assessed. This annual evaluation exercise provides an opportunity to obtain constructive feedback from each Director or committee member on whether the Board or Board Committee's procedures and processes enabled Directors to discharge their duties effectively and to propose changes which may be made to enhance Board/Board Committee effectiveness as a whole.

CORPORATE GOVERNANCE REPORT

Board performance evaluation for FY2026 was conducted by having all Directors complete a questionnaire covering the following areas/performance criteria –

- Board structure
- Strategy and performance
- Governance – Board Risk Management & Internal Controls
- Board Function – Information to the Board, Board Procedures, CEO/Top Management and Standards of Conduct.

In evaluating its performance, the Board also took into account the attendance, contribution and participation of each Director at Board Meetings.

Separate assessments of performance of Board Committees were carried by the AC, RC and NC for FY2026 by having all the Board Committee members complete a separate questionnaire in respect of each Board Committee. The performance criteria include, amongst others –

- The respective Board Committees' structure, size and expertise
- Accountability and performance
- Board Committee Function – Information to the Board Committees, processes, relationship with or reporting to the Board and Standards of Conduct
- Attendance, contribution and participation of each member at Board Committee meetings
- Communications with shareholders.

Peer evaluation of Board members, including the Chairman, was also conducted in FY2026. For this evaluation, each Board member completes a questionnaire in respect of every other Board member as well as the Chairman. The questionnaire required the evaluator to rate the Director he is evaluating based on his duties as Director, leadership and communication skills, strategy and risk management capabilities, knowledge and interaction with fellow Directors, Management team, Company Secretary, Auditors and other professionals who render services to the Company.

For each of the performance evaluations of the Board, Board Committees and Directors, a summary of findings is prepared by the Company Secretary based on the completed questionnaires and is reviewed and deliberated by the NC before submitting to the Board. The Chairman of the NC confers with the Chairman of the Board on the findings and appropriate follow-up actions are taken as necessary.

The NC, having reviewed the performance of the Board, Board Committees and individual Directors for FY2026, determined that the Directors have demonstrated commitment to their roles and contributed effectively to the discharge of their duties.

No external facilitator was engaged by the Board for the above evaluations.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1

The RC is governed by written Terms of Reference which include reviewing and recommending to the Board the following –

(1) the framework of remuneration for the Board and Key Management Personnel;

(2) long-term incentives and performance-based incentives, including share option scheme and performance share plan;

(3) specific remuneration packages for each Director and Key Management Personnel;

(4) remuneration packages of employees related to Directors or substantial shareholders of the Company; and

(5) the Company's obligations arising in the event of termination of Executive Directors and Key Management Personnel's contracts of services, to ensure that such contracts are fair and reasonable and termination clauses are not overly generous.

Provision 6.2

Currently, the RC is chaired by Ms Sandy Liu and its members comprise Mr Wilson Liu and Mr Stephen Ho. All members of the RC are independent.

Provision 6.3

The RC considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards and benefits-in-kind and termination terms to ensure they are fair. In its review, the RC ensures that the remuneration of the Directors and Key Management Personnel commensurate with their performance and value-add to the Group, giving due regard to the sustainability of performance, value creation and strategic objectives of the Company and/or the Group.

The RC reviewed the Company's obligations arising in the event of termination of the Executive Directors' and key management's service agreements, to ensure that such agreement contains fair and reasonable termination clauses which are not overly generous. The Board is of the view that as the Group pays an annual incentive bonus based on the performance of the Group/Company (and not on possible future results) and with clear targets set for Executive Directors and key management, "claw back" provisions in the service contracts may not be relevant or, appropriate.

Provision 6.4

The RC may, during its review of remuneration of Directors and Key Management Personnel, seek advice from external remuneration consultants, as and when necessary. No external facilitator/consultant had been engaged by the Board to advise on remuneration matters in FY2026.

CORPORATE GOVERNANCE REPORT

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1

Executive Directors' remuneration packages are based on service agreements and the remuneration packages comprise a basic salary component and a variable component. The fixed component is in the form of a base salary and the variable component is based on set performance targets and weightage in respect of Group revenue, profitability, return on equity, total shareholders' return and new products launched.

The remuneration packages of Key Management Personnel comprise a fixed component and a variable component. The fixed component is in the form of a base salary and the variable component includes performance-based cash incentive bonus and the share-based Valuetronics Employee Share Option Scheme with share options awarded based on a set of performance-related criteria.

The performance-related remuneration is to align Executive Directors and Key Management Personnel's interests with those of the shareholders and other stakeholders, for the long-term success of the Company, and link rewards to corporate and individual performance.

Provision 7.2

INEDs receive Directors' fees, which are subject to shareholders' approval at the AGM. INED's fees comprise a basic fee and, additional fees for serving on any of the Board Committees and attendance at ad-hoc meetings. The fees take into account their responsibilities, effort and time accorded in discharging their duties and, market practices.

The fee structure for INEDs comprises the following components:

(1) A basic fee for each INED;

(2) A percentage of basic fee for each additional role on Board Committees; and

(3) Attendance fee for participation in additional/ad-hoc Board/Board Committees meetings.

No Director is involved in determining his/her own remuneration.

INED fees proposed for FY2027 will be Singaporean Dollars ("S$") S$300,000 (FY2026: S$300,000).

Provision 7.3

In determining specific remuneration packages for each Executive Director and Key Management Personnel, the pay and employment conditions within the same industry and in comparable companies as well as the Company's performance and that of the individual are taken into account, so as to ensure the remuneration is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and Key Management Personnel to successfully manage the Company for the long term.

CORPORATE GOVERNANCE REPORT

Principle 8: Disclosure on Remuneration
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

A breakdown of Directors' remuneration and that of the Group's top 5 Key Management Personnel who are not Directors or, the Managing Director, for FY2026, falling within broad bands, are set out below –

(A) Directors' remuneration

Name	Breakdown (in terms of percentage)				Total
	Salary (%)	Bonus (%)	Fee (%)	Benefits* (%)	(in S$)
Tse Chong Hing	35%	65%	0%	0%	1,828,000
Chow Kok Kit	38%	62%	0%	0%	1,347,000
Wilson Liu	0%	0%	100%	0%	95,000
Stephen Ho	0%	0%	100%	0%	80,000
Sandy Liu	0%	0%	100%	0%	80,500

(B) Remuneration of top 5 Key Management Personnel (who are not Directors or, the Managing Director) (To update)

Name	Salary (%)	Bonus (%)	Benefits* (%)	Total (%)
Below S$250,000				
Cheng Lup Ming	88%	8%	4%	100%
Huang Jian Yuan	84%	8%	8%	100%
Lo Ngo Yin	87%	7%	6%	100%
Between S$500,001 – S$750,000				
Lui Ka Ho Joseph	73%	6%	21%	100%
Between S$750,001 – S$1,000,000				
Loic Meston	49%	41%	10%	100%

* Share-based payments and post-employment benefits are included in the column "Benefits" above.

In FY2026, the annual aggregate remuneration paid to the top 5 Key Management Personnel (who are not Directors or, the Managing Director) was approximately S$2,012,000.

CORPORATE GOVERNANCE REPORT

(C) Remuneration of employees who are substantial shareholders of the Company, or who are immediate family members of a Director, the Managing Director or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year

Mr Tse Chong Hing (Chairman and Managing Director) and Mr Chow Kok Kit (Executive Director) are substantial shareholders of the Company.

The remuneration paid to Mr Tse and Mr Chow (who are Directors and substantial shareholders of the Company) for FY2026 are set out in the above table relating to Directors' remuneration.

There were no termination, retirement or post-employment benefits granted to Directors and Key Management Personnel during the year.

Provision 8.2

Save as disclosed above, there were no employees who were substantial shareholders, or who were immediate family members of any Director or, the Managing Director or, a substantial shareholder of the Company, in FY2026.

Provision 8.3

The remuneration of the Company's Executive Directors and Key Management Personnel are borne by the Company's operating subsidiaries. Other than as disclosed herein, there were no remuneration and other payments and benefits paid by the Company's subsidiaries to Directors and Key Management Personnel of the Company.

The Company currently has in place 2 share schemes in the form of the Valuetronics Employee Share Option Scheme 2017 ("ESOS") and the Valuetronics Performance Share Plan 2017 ("PSP") for eligible employees, including Directors of the Company and the Group. Details of ESOS grants and PSP awards are disclosed in the Report of the Directors.

Details of the Company's ESOS and PSP are set out in pages 75 to 78 of the Annual Report.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls
The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1

The Group has established a system of risk management and internal controls to address the financial, operational, compliance and information technology risks of the Group. Management regularly assesses and reviews the Group's business and operational environment to identify areas of significant business, operational and other risks, as well as appropriate measures to control and mitigate these risks.

The primary task of identifying business risks lies with Management, who recommends to the Board processes for the formulation of policies to mitigate such risks. The Risk Management process, which is approved by the Board, includes a combination of measures/controls to reduce or, mitigate the Group's exposure to risks and/or, possible losses. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

A Risk Management Committee ("RMC") was established in FY2013, to review the adequacy and effectiveness of risk management activities within the Group. The Group has in place a risk management framework to enhance its risk management capabilities. The key risks facing the Group have been identified and action plans have been put in place to attempt to mitigate these risks. Risks have been identified at the process levels and controls have been put in place to mitigate these risks. Awareness and ownership of risks and controls by the relevant functions are continuously instilled.

CORPORATE GOVERNANCE REPORT

Key management staff from the various business units are tasked to assess and manage the risks within the defined risk management framework.

The Board acknowledges that risk is inherent in business and there are commercial risks to be taken in the course of generating returns on business activities. The Board's policy is that risks should be managed within the Group's overall risk tolerance.

The system of internal controls provides reasonable, but not absolute assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

However, the Board recognizes that no system of internal controls can provide absolute assurance against the occurrence of material financial misstatements or losses, poor judgment in decision-making, human errors, fraud or other irregularities.

The Board and AC will be responsible for (a) monitoring the Company's risk of becoming subject to, or violating, any sanctions-related law or regulation and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities. As at the date of this Report, the Company does not have existing business in a country which is subject to sanctions-related law or regulation, and has no exposure to sanctions-related risks.

Provision 9.2

For FY2026, the Board has received the following assurances –

(a) Written confirmation from the Managing Director (equivalent to CEO) and Chief Financial Officer that the Company's financial records have been properly maintained and the financial statements for FY2026 give a true and fair view of the Company's operations and finances; and

(b) Written confirmation from the Managing Director (equivalent to CEO), Chief Financial Officer and relevant Key Management Personnel that the Company's risk management, compliance and internal controls (including financial, operational, compliance and information technology controls) systems are adequate and effective.

Based on the internal controls established and risk management framework maintained by the Group, work performed by the Internal Auditors and External Auditors, and the reviews performed by Management and the RMC for FY2026, the Board, with the concurrence of the AC, is satisfied that, as at the date of this Report, the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are effective and adequate in its current business environment. No material weaknesses of internal controls and risk management systems were identified in respect of FY2026.

Principle 10: Audit Committee
The Board has an Audit Committee which discharges its duties objectively.

Provision 10.2
Provision 10.3

The AC is regulated by a set of written terms of reference, which clearly sets out its authority and duties. The AC has explicit authority to investigate any matters within its terms of reference, full access to and the co-operation by Management, full discretion to invite any Director or Executive Officer to attend its meetings and has been given adequate resources to enable it to discharge its functions.

Currently, the AC comprises 3 Directors, all of whom are independent. The Chairman of the AC is Mr Wilson Liu and its members are Mr Stephen Ho and Ms Sandy Liu.

The Chairman and the members of the AC possess recent and relevant accounting or related financial management expertise or experience to discharge their responsibilities.

The AC Chairman who was appointed to the Board on 1 August 2022, was a partner of PricewaterhouseCoopers, Hong Kong (a member firm of the External Auditors, PricewaterhouseCoopers LLP) up till 30 June 2020. Save as disclosed, no former partner or director of the External Auditors is a member of the AC. The AC Chairman and members do not have any financial interest in the External Auditors.

CORPORATE GOVERNANCE REPORT

Provision 10.1

The key functions of the AC, amongst others, are –

(a) To review with the External Auditors, the scope and results of the external audit, evaluation of the accounting controls, audit reports and any matters which the External Auditors wish to discuss;

(b) To review with the Internal Auditors, their audit plan and reports, the adequacy of the internal audit procedures and their evaluation of the effectiveness of the overall internal control system, including financial, operational and compliance controls and risk management system;

(c) To review the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;

(d) To review significant financial reporting issues and judgements so as to ensure the integrity of financial statements of the Company and any announcements relating to the Company's financial performance;

(e) To review the quarterly and annual financial statements of the Company and the Group, including half-year and full-year results announcements to shareholders and the SGX-ST, prior to submission to the Board for approval;

(f) To review and to report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, which address the Group's financial, operational, compliance and information technology risks and risk management systems, and any other matters requiring the Board's attention;

(g) To evaluate the Group's system of internal controls with the Internal Auditors and to assess the effectiveness and adequacy of internal accounting and financial control procedures;

(h) To review the assurance from the Managing Director (equivalent to CEO) and Chief Financial Officer on the financial records and financial statements;

(i) To review the Company's Whistle-Blowing Policy and to ensure that arrangements are in place for concerns about possible improprieties in financial reporting or other matters to be safely raised and independently investigated, and for appropriate follow-up action to be taken;

(j) To review Interested Person Transactions and to report its findings to the Board;

(k) To conduct annual reviews of the cost effectiveness of the external audit, the adequacy, effectiveness, independence and objectivity of the External Auditors, including the volume of non-audit services provided by the External Auditors, to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors before confirming their re-nomination; and

(l) To make recommendations to the Board on the appointment, re-appointment and removal of the External Auditors and to approve their remunerations and terms of engagement.

During the financial year, the AC had reviewed –

- business and operational reports on a quarterly basis;
- half-year and full-year financial statements announcements prior to submission to the Board;
- the annual audit plan of the External Auditors and Internal Auditors and the results of the audits performed by them;
- the effectiveness and adequacy of the Group's internal controls and risk management systems;
- audit and non-audit services (if any) rendered by the External Auditors, their independence, re-appointment and remuneration; and
- transactions with interested persons and those not falling within the ambit of Chapter 9 of the Listing Manual of the SGX-ST.

CORPORATE GOVERNANCE REPORT

The External Auditors provide the AC with regular updates on changes in accounting standards and issues which have a direct impact on financial statements.

Provision 10.4

The Company's External Auditors and Internal Auditors report their findings and recommendations to the AC independently.

Internal Audit

The Group's internal audit ("IA") function was outsourced to an independent consulting firm, Acclime Consulting (Hong Kong) Limited ("ACL") which is a consulting arm of Acclime Advisory Services Limited ("AAS") with Asian focus, operating across 20 Asian markets, serving over 16,000 active clients with a team of more than 2,000 staff. AAS's pillar strengths rest in risk advisory, corporate governance, ESG advisory, tax compliance and advisory, M&A advisory, business valuation, accounting, HR/payroll, corporate restructuring, insolvency, digital forensic investigations and company formation. The IA team serving the Company consists of 6 professional members, including the AAS Partner and the ACL Partner, both of whom are members of the Hong Kong Institute of Certified Public Accountants. They have extensive internal audit experience, particularly in the manufacturing industry and with companies comparable in size to the Company. Additionally, both AAS Partner and the ACL Partner have prior experiences providing IA services to SGX listed entities.

The IA function is established according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors and is adequately resourced to perform the internal audit effectively.

The Internal Auditors have appropriate standing within the Company and has unrestricted access to all the Company's documents, records, properties, information and receives co-operation from the Board, the AC, Management and staff, as necessary, to effectively discharge its responsibilities. The Internal Auditors conduct independent reviews, assessment and follow-up audit procedures on the Group's financial, operational, compliance and information technology controls, and report the remediation status to the AC. Reports of the IA are submitted to the AC for review, with copies of these reports extended to the members of the Board and the relevant senior management officers.

The Internal Auditors had during the course of their audit performed tests over operating effectiveness of certain controls and made some observations on internal controls and proposed recommendations to assist Management in mitigating risks and improving operational efficiency and effectiveness in the areas reviewed. Action plans to address these observations have been put in place.

The AC assesses the adequacy, effectiveness and independence of the internal audit function annually. For FY2026, the AC is satisfied that the Internal Auditors are independent, effective, have the necessary resources to adequately perform its functions and staffed by qualified and experienced personnel.

With the assistance of the Internal Auditors, the Group has established a risk management framework to continuously monitor, manage and control risks. Management regularly reviews and updates key risks for the Group, and ensures that such risks remain relevant in the context of current economic and operating environment.

The AC is responsible for the appointment, removal, evaluation and compensation of the Internal Auditors.

External Audit

In compliance with Rule 712 of the SGX-ST Listing Manual which requires all SGX-ST primary-listed issuers to appoint an auditing firm which is approved under the Accountants Act 2004 of Singapore, PwC Singapore was appointed as External Auditors of the Company with effect from the financial year ended 31 March 2023.

In reviewing the nomination of PwC Singapore for re-appointment as External Auditors, the AC had considered the adequacy of resources, experience and competence of PwC Singapore and, had taken into account the Audit Quality Indicators Disclosure Framework of PwC Singapore at firm level and on audit engagement level. Consideration was also given the the experience of the engagement partner and members of the audit team and, the ability of the audit team to work cohesively with Management within the agreed timelines.

Based on the above, the AC had recommended to the Board the nomination of PwC Singapore for re-appointment as External Auditors at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

Provision 10.5

In FY2026, the AC met with the External Auditors and the Internal Auditors twice, to review the Group's accounting, auditing and financial reporting and internal control matters, so as to ensure that an effective system of control is maintained in the Group. The AC has also met with External Auditors and Internal Auditors without the presence of Management.

Aggregate audit service fees paid to the Company's External Auditors, PwC Singapore and member firms of PricewaterhouseCoopers ("PwC") for FY2026 amounted to Hong Kong Dollars ("HK$") 2.9M for the Group. The Group did not engage PwC to provide non-audit services in FY2026.

In FY2026, PwC Singapore was the sole auditor of the Company, whilst its principal subsidiaries were audited by member firms of PwC. The Company has complied with Rule 712 and Rule 715 of the Listing Manual of the SGX-ST in relation to the appointment of audit firms.

WHISTLE-BLOWING POLICY

The Company has in place a Whistle-Blowing Policy whereby the staff of the Group and stakeholders (including customers and suppliers) can raise in good faith and in confidence, any concerns about malpractice or wrongdoing within the Group or possible improprieties relating to business activities, accounting, financial reporting, internal controls and other matters. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow up action.

The objectives of the Whistle-Blowing Policy are:

- To communicate the Company's expectation of employees of the Group in detecting fraudulent activities or malpractices;
- To guide employees on the course of action when addressing their concerns or suspicions of fraudulent activities or malpractices;
- To provide a process for investigations and management reporting; and
- To establish the policies for protecting whistle-blowers against reprisal by any person internal or external of the Group.

The AC is responsible for oversight and monitoring of whistleblowing and ensures that arrangements are in place for independent investigation of matters raised. The AC will review investigation reports on whistleblowing cases (if any) and decide/recommend follow-up or remedial actions to be taken, where appropriate, and report the same to the Board accordingly. The Company and/or AC may in its absolute discretion designate an independent function/party as it deems fit to investigate whistleblowing reports made in good faith.

The Company will exercise great care, sensitivity and timeliness whilst carrying out investigation of matters raised; and protect the identity of all whistle-blowers, except as necessary or appropriate to conduct the investigation and to take any remedial action and subject to legal or regulatory requirements. Investigation results are confidential and will not be disclosed or discussed with anyone other than those with a legitimate need to know. The Company will also protect a whistle-blower acting in good faith and who has not himself or herself engaged in serious misconduct or illegal conduct from any forms of harassment, retaliation, adverse employment or career advancement consequence or discrimination, including but not limited to demotion, dismissal or reduction of compensation or privileges of employment.

Details of the Whistle-Blowing Policy have been disseminated and made available to all employees of the Group.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings
The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

As general meetings are the principal forum for dialogue with shareholders, the Board encourages all shareholders to attend the general meetings, to stay informed of the Group's developments. Shareholders are also given the opportunity to air their views and direct questions to the Board and Board Committees. Notices of general meetings are issued with Annual Reports or, relevant circulars and sent to shareholders within the prescribed time frame. Such notices are also advertised in a Singapore newspaper and posted on SGXNet and the Company's website.

Every shareholder is entitled to vote in person or by appointing up to 2 proxies to attend and vote on his or her behalf. With poll voting, shareholders and/or, their proxies are entitled to 1 vote for every share represented at general meetings.

In compliance with Bermuda law, the Company's Bye-laws do not allow corporations which provide nominee or custodial services to appoint more than 2 proxies to attend and participate in general meetings as proxies.

Provision 11.2

At general meetings, separate resolutions are proposed for each substantially separate issue to avoid bundling of resolutions unless, the resolutions are inter-dependent and linked to form 1 significant proposal.

Provision 11.3

The Directors, including the Chairman of the respective Board Committees and the External Auditors attend general meetings to address issues or queries raised by shareholders. The External Auditors is present at the AGM to address shareholders' queries on the conduct of the audit and the preparation and content of the auditors' report. For the last AGM held in July 2025, all the Directors attended the meeting which was held physically in Singapore.

Provision 11.4

The Company has not implemented voting in absentia due to concerns on information control and security. In this connection, the Company has not amended its Bye-laws to allow shareholders to vote in absentia at general meetings. Voting in absentia may only be possible following careful study/review of feasibility to ensure that integrity of the information and authentication of the identity of shareholders is not compromised.

Resolutions are voted on by poll and independent scrutineers are appointed to count and verify the results of the poll. The poll results, including the number of votes cast for and against each resolution at the meeting, are released via SGXNet and posted on the Company's website.

Provision 11.5

The Company Secretary prepares minutes of general meetings which are available to shareholders present at the relevant meeting, upon request. Minutes of AGMs/general meetings of shareholders, incorporating substantial and relevant comments or queries from shareholders relating to the agenda of general meetings and responses from the Board, Management and/or Auditors, are published via SGXNet and on the Company's website.

CORPORATE GOVERNANCE REPORT

Provision 11.6

DIVIDEND POLICY

The Company has adopted a revised dividend policy on 28 May 2026, which superseded the dividend policy previously adopted in 2014. Under the revised dividend policy, the Company aims to provide its shareholders with a target annual ordinary dividend payout of 50% to 70% of the net profit attributable to shareholders in any financial year, whether as interim and/or final dividend, the declaration and payment of which will be determined at the sole discretion of the Board.

In proposing any dividend payout and/or determining the form, frequency and/or the amount of such dividend payout, the Board will also take into account, *inter alia* –

(i) the Group's actual and expected financial performance and financial conditions;

(ii) retained earnings and distributable reserves;

(iii) results of operations and cash flow;

(iv) the level of the Company's debts to equity ratio and return on equity;

(v) the ability of the Company's subsidiaries to make dividend payments to the Company;

(vi) restrictions on payment of dividends that may be imposed on the Company by any of its financing arrangements;

(vii) the Group's expected working capital requirements, the Group's expected capital expenditure, future expansion, other investment plans and other funding requirements;

(viii) general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group, including such legal or contractual restrictions as may apply from time to time or which the Board may consider appropriate in the interests of the Company; and

(ix) such other factors that the Board deems appropriate.

The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board continually reviews the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time.

Principle 12: Engagement with Shareholders
The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1

The Board recognises the importance and is aware of its obligations in providing regular, effective and fair communication with shareholders. It provides prompt, consistent and relevant information with regard to the Group's corporate developments and financial performance, which complies with disclosure obligations prescribed under the 2018 Code and the SGX-ST Listing Manual.

The Board has taken adequate steps to ensure compliance with legislative and regulatory requirements, including without limitation, the Listing Rules of the SGX-ST. Prompt compliance with statutory reporting requirements is one way to maintain shareholders' confidence and trust in the capability and integrity of the Company.

CORPORATE GOVERNANCE REPORT

The Group keeps all shareholders informed of developments that would have a material impact on the Group through announcements on SGXNet and on the Company's website at www.valuetronics.com.hk. Shareholders may at any time send their enquiries and/or feedback about the Company to the Board in writing through its corporate website, under "Contact Us" or "IR Contact" section.

The Company notifies shareholders in advance on the date of release of its financial results through announcement via SGXNet.

In presenting the half-yearly and annual financial results to shareholders, the Board seeks to provide shareholders with a detailed, balanced and understandable assessment of the Group's performance, financial position and prospects, including interim and other price sensitive public reports, and reports to regulators (if required).

Immediately following its announcement of the relevant results, the Company establishes shareholder communication via a series of local and overseas non-deal road shows. Management takes an active role in participating in investor relations activities with the investment community and, meeting regularly with local and foreign institutional shareholders. The various channels of shareholder communication enable the Group to solicit and understand the views of the shareholders. For transparency and non-selective disclosure, materials used in these briefings are publicly disseminated via SGXNet and on the Company's website.

Shareholders and the public may also assess financial and annual reports, announcements and, media releases via the Company's website at www.valuetronics.com.hk.

Provision 12.2

The Group's Investor Relations ("IR") Policy is that all shareholders should be equally and timely informed of all major developments and events that impact the Group. Price-sensitive information is publicly released on an immediate basis where required under the Listing Manual. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that shareholders and the public have fair access to the information.

Provision 12.3

The Company has put in place a formal IR Policy which is available on the Company's website at www.valuetronics.com.hk. The IR Policy sets out, *inter alia*, (i) the principles, policies and practices that are adopted by the Company in the course of a two way communication between the Company and its shareholders and the investment community, and (ii) mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13 Engagement with Stakeholders
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1
Provision 13.2

The Company recognised the importance of effective stakeholder engagement in supporting long-term sustainability and shareholder value, and has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Company adopts an inclusive approach by considering and balancing the needs and interests of its key stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. The key stakeholders include, but not limited to, customers, suppliers, employees, investors, and local government. The Company adopts both formal and informal channels of communication to understand the needs of its key stakeholders, and incorporate their feedback into the evolution of corporate strategies so as to achieve mutually beneficial relationships.

The Company discloses in its Sustainability Report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period. Further details can be found in the Company's Sustainability Report for FY2026.

CORPORATE GOVERNANCE REPORT

Provision 13.3

The Company maintains a corporate website at www.valuetronics.com.hk to communicate and engage with its stakeholders.

SECURITIES TRANSACTIONS

The Group has adopted a policy governing dealings in securities of the Company for Directors, its officers and employees.

The Group's "black-out" period, in compliance with SGX-ST's Listing Rule 1207(19), is that the Directors, officers and other employees of the Group, who have access to price-sensitive and confidential information, should not deal in securities of the Company during the period commencing one month before the announcement of the Group's half-year and full-year results. The black-out period ends after the release of the relevant results.

In addition, the Directors and officers of the Group are discouraged from dealing in the Company's securities whilst in possession of price-sensitive information and/or on short-term considerations.

INTERESTED PERSON TRANSACTIONS ("IPTS")

The Group has adopted an internal policy governing procedures for the review and approval of IPTs. The AC has reviewed the rationale and terms of the Group's IPTs and is of the view that the IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

Save as disclosed in the consolidated financial statements, the aggregate value of all approved IPTs conducted during FY2026 (excluding transactions less than S$100,000), are set out below:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	
		Year ended 31 March 2026 HK$'000	Year ended 31 March 2025 HK$'000
Tse Chong Hing	Project management consultancy services for the Vietnam factory from Concord Buildings Co. Ltd, which is owned by Mr Tse's brother and wife of Mr. Tse's brother.	Nil	1,150

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

MATERIAL CONTRACTS

Other than as disclosed above, there were no material contracts of the Company or its subsidiaries involving the interests of any Director or controlling shareholder entered into during the financial year that is required to be disclosed under Rule 1207(8).

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2026

The Directors of the Company are pleased to present their report together with the audited financial statements of the Company and of the Group for the financial year ended 31 March 2026.

1. DIRECTORS AT DATE OF REPORT

The Directors of the Company in office at the date of this report are:

Tse Chong Hing	Chairman and Managing Director
Chow Kok Kit	Executive Director
Liu Chung Mun Wilson	Lead Independent Director
Stephen Ho ChiMing	Independent Director
Liu Yuen Weai Sandy	Independent Director

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement the objective of which is to enable the Directors of the Company to acquire benefits by means of acquisition of shares or debentures in the Company or the Group, other than pursuant to the Valuetronics Employee Share Option Scheme and the Valuetronics Employee Share Option Scheme 2017 and the Valuetronics Performance Share Plan and the Valuetronics Performance Share Plan 2017.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in the shares or debentures of the Company and related corporations, either at the beginning or at the end of the financial year or on 21 April 2026.

	In the name of Directors		Deemed Interest	
	At 1 April 2025	At 31 March 2026	At 1 April 2025	At 31 March 2026
Name of Directors	**Ordinary shares of HK$0.10 each**			
Tse Chong Hing	75,990,411	75,990,411	–	–
Chow Kok Kit	32,000,361	32,000,361	–	–
Liu Chung Mun Wilson	–	–	–	–
Stephen Ho ChiMing	–	–	–	–
Liu Yuen Weai Sandy	–	144,300	–	–

There was no change in Directors' interests between the end of the financial year and 21 April 2026.

4. CONTRACTUAL BENEFITS OF DIRECTORS

Since the beginning of the financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for the directors' fees, salaries, bonuses and other benefits as disclosed in the financial statements.

5. SHARE OPTIONS AND AWARDS

(i) The Valuetronics Employee Share Option Scheme ("ESOS 2007") and the Valuetronics Employee Share Option Scheme 2017 ("ESOS 2017")

The ESOS 2007 was approved by Shareholders at a Special General Meeting ("**SGM**") on 6 February 2007 and modified at the SGM held on 28 July 2008. ESOS 2007 expired on 6 February 2017 and the new modified ESOS 2017 was approved by Shareholders at SGM on 24 July 2017.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2026

The ESOS 2007 and ESOS 2017 are administered by the Remuneration Committee ("RC") comprising:–

Liu Yuen Weai Sandy (Chairman)
Liu Chung Mun Wilson
Stephen Ho ChiMing

Other information regarding the ESOS 2017 is set out below:–

Subject to the absolute discretion of the RC, options may be granted to the following groups of participants under the ESOS 2017:

(a) Group Employees (including Executive Directors but excluding Controlling Shareholders and/or their Associates); and

(b) Non-Executive Directors (including Independent Directors).

Options may be granted by the RC at its discretion with the Exercise Price set at:–

- a price equal to the Market Price; or

- a price which is set at a discount to the Market Price, provided that:

  i. the maximum discount shall not exceed 20% of the Market Price; and

  ii. the Shareholders in general meeting have authorised, in a separate resolution, the making of offers and grants under the ESOS 2017 at a discount not exceeding the maximum discount as aforesaid.

Options granted at the Market Price may be exercised at any time after the first anniversary of the date of the grant. Options granted with the Exercise Price set at a discount to the Market Price may be exercised any time after the second anniversary of the date of grant. All options shall be exercised before the tenth anniversary of the relevant offer date, or such earlier date as may be determined by the RC, failing which all unexercised Options shall immediately lapse and become null and void.

Except as disclosed below, no employee received 5% or more of the total number of shares under options available under the ESOS 2007 and ESOS 2017.

During the financial year, 1,715,000 options to subscribe for shares in the Company were granted to the Company's executives and staff under the ESOS 2017. Pursuant to the exercise of options, the Company transferred and utilized 4,159,290 treasury shares. 180,000 options were forfeited during the financial year.

As at 31 March 2026, the Company has the following outstanding share options:

Date of grant	Exercise Price	Outstanding at 1 April 2025	Granted	Exercised	Forfeited	Outstanding at 31 March 2026
24 August 2015	S$0.268*#	27,500	–	(27,500)	–	–
18 August 2016	S$0.379*#	55,000	–	–	–	55,000
24 September 2017	S$0.701#	2,700,000	–	(300,000)	–	2,400,000
21 September 2018	S$0.530#	735,000	–	(531,790)	–	203,210
15 November 2019	S$0.570#	2,450,000	–	(1,410,000)	–	1,040,000
18 November 2020	S$0.460#	330,000	–	(100,000)	–	230,000
07 December 2021	S$0.530	1,760,000	–	(970,000)	–	790,000
15 November 2022	S$0.490	1,300,000	–	(570,000)	(40,000)	690,000
23 August 2023	S$0.518	1,770,000	–	(250,000)	(90,000)	1,430,000
10 December 2024	S$0.629	1,940,000	–	–	(50,000)	1,890,000
15 December 2025	S$0.859	–	1,715,000	–	–	1,715,000
Total		13,067,500	1,715,000	(4,159,290)	(180,000)	10,443,210

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2026

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

The details of options granted to the Directors (and Controlling Shareholders) of the Company:

Name of participant	Options granted during the financial year	Aggregate options granted since commencement of ESOS 2007 to end of financial year	Aggregate options exercised since commencement of ESOS 2007 to end of financial year	Aggregate options outstanding at end of financial year
Tse Chong Hing	–	3,225,000	(3,225,000)	–
Chow Kok Kit	–	2,800,000	(2,800,000)	–
Liu Chung Mun Wilson	–	–	–	–
Stephen Ho ChiMing	–	–	–	–
Liu Yuen Weai Sandy	–	–	–	–
Total	–	6,025,000	(6,025,000)	–

(ii) The Valuetronics Performance Share Plan ("PSP 2008") and the Valuetronics Performance Share Plan 2017 ("PSP 2017")

The PSP 2008 approved by shareholders of the Company on 28 July 2008 was terminated and replaced by the PSP 2017 which was approved by shareholders of the Company on 24 July 2017. The PSP 2017 is in addition to and complementary to the ESOS 2017. The PSP 2017 is intended to further the Company's continuing efforts to reward, retain and motivate Directors and employees to achieve better performance. The PSP 2017 is an incentive plan to provide the Company with the flexibility in tailoring reward and incentive packages to suit individual participants.

The focus of the PSP 2017 is principally to target executives in key positions who are able to drive the growth of the Company through innovation, creativity and superior performance. The number of shares to be awarded under the PSP 2017 is determined by performance targets and/or service conditions and/or significant contributions to the Group ("Share Awards").

The PSP 2017 is administered by the Remuneration Committee.

Except as disclosed below, no employee received 5% or more of the total number of Share Awards available under the PSP 2008 and PSP 2017.

During the financial year, no Share Awards were granted to the Company's Executive Directors under the PSP 2008 and PSP 2017.

As at 31 March 2026, the Company has no outstanding Share Awards.

The vesting period of the above Share Awards are 1-3 years from the date of grant.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2026

The details of Share Awards granted to the Directors (and Controlling Shareholders) of the Company:

Name of participant	Aggregate awards granted since commencement of PSP 2008 to end of financial year
Tse Chong Hing	3,225,000
Chow Kok Kit	2,800,000
Total	6,025,000

There were no awards granted, released, forfeited or, outstanding, during the financial year.

(iii) Executive Director's entitlement to ESOS 2017 and PSP 2017

Mr. Chow Kok Kit, an Executive Director, has irrevocably and unconditionally renounced his right and/or entitlement to participate in the ESOS 2017 and PSP 2017.

6. AUDIT COMMITTEE

The Audit Committee ("AC") comprises three members, all of whom are Independent Non-Executive Directors. The AC members at the date of this report are as follows:–

Liu Chung Mun Wilson (Chairman)
Liu Yuen Weai Sandy
Stephen Ho ChiMing

The AC held four meetings since the date of the last Directors' report.

The functions of the AC are disclosed in the Corporate Governance Report.

The AC has full access to and has the co-operation of Management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The External Auditors and Internal Auditors have unrestricted access to the AC.

7. AUDITORS

The Directors of the Company, with the concurrence of the AC, propose the re-appointment of PricewaterhouseCoopers LLP as External Auditors of the Company for the financial year ending 31 March 2027 at the forthcoming AGM.

8. DEVELOPMENTS SUBSEQUENT TO ANNOUNCEMENT OF RESULTS

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 28 May 2026, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

ON BEHALF OF THE BOARD OF DIRECTORS

TSE CHONG HING	CHOW KOK KIT
Chairman	*Executive Director*

26 June 2026

STATEMENT BY THE DIRECTORS

In the opinion of the Directors,

(a) The accompanying consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon as set out on pages 47 to 91 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2026 and of the results, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

TSE CHONG HING	CHOW KOK KIT
Chairman	*Executive Director*

26 June 2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VALUETRONICS HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Valuetronics Holdings Limited ("the Company") and its subsidiaries ("the Group") and the financial position of the Company as at 31 March 2026 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year then ended in accordance with IFRS Accounting Standards.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the year then ended;
- the statements of financial position of the Group and of the Company as at 31 March 2026;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including summary of material accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VALUETRONICS HOLDINGS LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended 31 March 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Assessment of impairment of non-current assets Refer to Note 4(c) and Note 32.6 "Summary of material accounting policies – Impairment of non-financial assets". The Group had Graphic Processing Units and related ancillary hardware assets ("GPUs") recorded in computers under property, plant and equipment. These GPUs were either leased into an associated company, Trio AI Limited ("Trio AI") or acquired for Trio AI but not yet deployed to use. As at 31 March 2026, the carrying amount of computers recorded under property, plant and equipment amounted to HK$133.6 million, representing 6% of the Group's total assets. An impairment assessment in accordance with IAS 36 was performed on the GPUs as at 31 March 2026 as there were indicators of impairment as disclosed in Note 4(c) to the financial statements. For the purpose of impairment testing, the recoverable amount of the GPUs is determined based on fair value less costs of disposal, using the replacement cost approach. During the current financial year, an impairment charge of HK$45 million was recognised in profit or loss. This impairment was attributable to uncertainties relating to the associated company's business outlook, funding requirements and commercialisation progress. We focused on this area because of the significant judgements required in determining the market-based costs and adjustments for obsolescence which were applied in computing the recoverable amount of the GPUs.	We have performed the following: • Reviewed the basis and methodology used to derive the recoverable amount of the assets; • Assessed the reasonableness of key assumptions based on our knowledge of the GPUs market; • Performed sensitivity analysis to assess the impact of the recoverable amount by reasonable possible changes in the obsolescence rate; and • Considered the adequacy of disclosures in the financial statements. Based on the above, we found that the assumptions and judgements applied by management on their assessment of the impairment provision were supported by the evidence we obtained, and the disclosures in this aspect to be adequate.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VALUETRONICS HOLDINGS LIMITED

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VALUETRONICS HOLDINGS LIMITED

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yong Zen Yun.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 26 June 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026 HK$'000	2025 HK$'000
Revenue	5	**1,660,246**	1,729,070
Cost of sales	7	**(1,348,121)**	(1,435,348)
Gross profit		**312,125**	293,722
Selling and distribution expenses	7	**(21,421)**	(18,488)
Administrative expenses	7	**(162,954)**	(157,917)
Impairment loss on property, plant and equipment and related lease receivable	13	**(45,000)**	–
Impairment losses on financial assets		**(2,177)**	–
Gain on deemed disposal of a subsidiary	16	**9,401**	–
Other income and gains, net	6	**46,816**	58,034
Operating profit		**136,790**	175,351
Share of loss of an associate	16	**(5,390)**	–
Finance costs		**(682)**	(620)
Profit before income tax		**130,718**	174,731
Income tax expense	10	**(19,277)**	(8,244)
Profit for the year		**111,441**	166,487
Attributable to:			
Owners of the Company		**117,123**	170,387
Non-controlling interests		**(5,682)**	(3,900)
		111,441	166,487
Earnings per share for profit attributable to owners of the Company for the year		**HK cents**	**HK cents**
– Basic	11	**28.7**	41.6
– Diluted	11	**28.6**	41.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	2026 HK$'000	2025 HK$'000
Profit for the year	**111,441**	166,487
Other comprehensive income, net of tax		
Items that may be reclassified to profit or loss		
Currency translation differences	**7,592**	(13,333)
Total comprehensive income for the year	**119,033**	153,154
Attributable to:		
Owners of the Company	**124,715**	157,054
Non-controlling interests	**(5,682)**	(3,900)
	119,033	153,154

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Note	Group		Company	
		2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**365,965**	272,452	**–**	–
Intangible assets		**–**	5,565	**–**	–
Right-of-use assets	14(a)	**37,636**	38,271	**–**	–
Investment in subsidiaries	15	**–**	–	**83,330**	83,330
Investment in an associate	16	**–**	–	**–**	–
Deferred tax assets	22	**606**	606	**–**	–
Financial assets at fair value through profit or loss	17	**12,445**	14,159	**–**	–
Other non-current assets	18	**9,410**	178,011	**–**	–
		426,062	509,064	**83,330**	83,330
Current assets					
Inventories	19	**198,915**	171,748	**–**	–
Trade receivables	20	**304,196**	373,420	**–**	–
Other receivables		**11,476**	9,204	**–**	–
Prepayments and other current assets	18	**29,625**	26,518	**325**	334
Due from subsidiaries	15	**–**	–	**575,174**	499,934
Cash and cash equivalents	21	**1,213,779**	1,093,812	**7,286**	4,692
		1,757,991	1,674,702	**582,785**	504,960
Total assets		**2,184,053**	2,183,766	**666,115**	588,290
EQUITY					
Share capital	26	**43,563**	43,563	**43,563**	43,563
Treasury shares	26	**(80,616)**	(80,099)	**(80,616)**	(80,099)
Reserves	28	**1,506,337**	1,490,243	**700,547**	623,547
Equity attributable to owners of the Company		**1,469,284**	1,453,707	**663,494**	587,011
Non-controlling interests		**–**	2,400	**–**	–
Total equity		**1,469,284**	1,456,107	**663,494**	587,011
LIABILITIES					
Non-current liabilities					
Contract liabilities	25	**5,360**	5,818	**–**	–
Current liabilities					
Trade payables	23	**231,434**	273,630	**–**	–
Other payables and accruals	24	**399,332**	379,946	**2,621**	1,279
Contract liabilities	25	**8,565**	16,722	**–**	–
Current income tax liabilities		**70,078**	51,543	**–**	–
		709,409	721,841	**2,621**	1,279
Total liabilities		**714,769**	727,659	**2,621**	1,279
Total equity and liabilities		**2,184,053**	2,183,766	**666,115**	588,290

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Attributable to equity owners of the Company										
			Reserves								
	Share capital HK$'000	Treasury shares HK$'000	Share premium HK$'000	Share-based compensation reserve HK$'000	Currency translation reserve HK$'000	Statutory reserve HK$'000	Retained earnings HK$'000	Total reserves HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total shareholders' equity HK$'000
	(Note 26)	(Note 26)	(Note 28(i))	(Note 28(iii))	(Note 28(iv))	(Note 28(v))					
Balance at 1 April 2025	43,563	(80,099)	169,221	14,772	(19,907)	5,506	1,320,651	1,490,243	1,453,707	2,400	1,456,107
Total comprehensive income for the year	–	–	–	–	7,592	–	117,123	124,715	124,715	(5,682)	119,033
Dividends paid (Note 12)	–	–	–	–	–	–	(110,330)	(110,330)	(110,330)	–	(110,330)
Share-based compensation	–	–	–	1,894	–	–	–	1,894	1,894	–	1,894
Purchase of treasury shares (Note 26)	–	(14,345)	–	–	–	–	–	–	(14,345)	–	(14,345)
Exercise of share option	–	13,828	5,342	(5,398)	–	–	–	(56)	13,772	–	13,772
Forfeiture of share option	–	–	–	(129)	–	–	–	(129)	(129)	–	(129)
Deemed disposal of non-controlling interests	–	–	–	–	–	–	–	–	–	3,282	3,282
	–	(517)	5,342	(3,633)	7,592	–	6,793	16,094	15,577	(2,400)	13,177
Balance at 31 March 2026	**43,563**	**(80,616)**	**174,563**	**11,139**	**(12,315)**	**5,506**	**1,327,444**	**1,506,337**	**1,469,284**	**–**	**1,469,284**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2026

	Attributable to equity owners of the Company										
			Reserves								
	Share capital HK$'000	Treasury shares HK$'000	Share premium HK$'000	Share-based compensation reserve HK$'000	Currency translation reserve HK$'000	Statutory reserve HK$'000	Retained earnings HK$'000	Total reserves HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total shareholders' equity HK$'000
	(Note 26)	(Note 26)	(Note 28(i))	(Note 28(iii))	(Note 28(iv))	(Note 28(v))					
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	–	1,399,583
Total comprehensive income for the year	–	–	–	–	(13,333)	–	170,387	157,054	157,054	(3,900)	153,154
Dividends paid (Note 12)	–	–	–	–	–	–	(102,801)	(102,801)	(102,801)	–	(102,801)
Share-based compensation	–	–	–	1,733	–	–	–	1,733	1,733	–	1,733
Purchase of treasury shares (Note 26)	–	(13,831)	–	–	–	–	–	–	(13,831)	–	(13,831)
Exercise of share option	–	12,718	4,706	(5,229)	–	–	–	(523)	12,195	–	12,195
Forfeiture of share option	–	–	–	(226)	–	–	–	(226)	(226)	–	(226)
Capital injection from non-controlling interests	–	–	–	–	–	–	–	–	–	6,300	6,300
	–	(1,113)	4,706	(3,722)	(13,333)	–	67,586	55,237	54,124	2,400	56,524
Balance at 31 March 2025	43,563	(80,099)	169,221	14,772	(19,907)	5,506	1,320,651	1,490,243	1,453,707	2,400	1,456,107

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	2026 HK$'000	2025 HK$'000
Cash flows from operating activities		
Profit before income tax	**130,718**	174,731
Adjustments for:		
Depreciation on right-of-use assets	**1,031**	1,049
Depreciation on property, plant and equipment	**45,613**	42,353
Amortisation on intangible assets	**677**	735
Impairment loss on property, plant and equipment and related lease receivable	**45,000**	–
Impairment losses on financial assets	**2,177**	–
Gain on disposals of property, plant and equipment	**(55)**	(454)
Gain on investment of financial assets at fair value through profit or loss	**–**	(374)
Gain on deemed disposal of a subsidiary	**(9,401)**	–
Share of loss of an associate	**5,390**	–
Fair value loss on financial assets at fair value through profit or loss	**–**	4,563
Share-based compensation expense	**1,765**	1,507
Interest income, net	**(40,803)**	(52,719)
	182,112	171,391
Changes in working capital:		
Inventories	**(27,167)**	1,302
Trade receivables	**69,204**	8,485
Other receivables	**(4,226)**	(2,155)
Prepayments and other current assets	**13,906**	1,247
Trade payables	**(40,350)**	36,358
Other payables and accruals	**43,337**	4,792
Contract liabilities	**(8,615)**	(4,286)
Net cash generated from operations	**228,201**	217,134
Income tax paid	**(2,791)**	(9,204)
Net cash generated from operating activities	**225,410**	207,930
Cash flows from investing activities		
Purchase of property, plant and equipment	**(46,994)**	(228,012)
Proceeds from disposals of property, plant and equipment	**65**	669
Proceeds from refund of financial assets at fair value through profit or loss	**2,649**	2,852
Net cash outflow on deemed disposal of a subsidiary	**(402)**	–
Interest received	**40,803**	52,719
Net cash used in investing activities	**(3,879)**	(171,772)
Cash flows from financing activities		
Purchase of treasury shares	**(14,345)**	(13,831)
Dividends paid to equity holders of the Company	**(110,330)**	(102,801)
Proceeds from shares issued in exercise of share options	**13,772**	12,195
Net cash used in financing activities	**(110,903)**	(104,437)
Net increase/(decrease) in cash and cash equivalents	**110,628**	(68,279)
Cash and cash equivalents at beginning of the financial year	**1,093,812**	1,164,480
Effect of foreign exchange rate changes	**9,339**	(2,389)
Cash and cash equivalents at end of the financial year	**1,213,779**	1,093,812

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL 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").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 15 to the consolidated financial statements.

These consolidated financial statements have been presented in thousands of HK dollar ("HK$'000"), unless otherwise stated, and is approved for issue by the Board of Directors on 26 June 2026.

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS"). IFRS comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss ("FVPL").

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.1 New and amended standards

(a) Adoption of new and amended standards

The Group has applied the following new standards and amendments to standards which are mandatory for the financial year beginning on or after 1 April 2025:

- Amendments to IAS 21 Lack of Exchangeability

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

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONTINUED)

2.1 New and amended standards (Continued)

(b) New standards, amendments to standards and interpretations not yet effective

The following are 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 2026, but have not been early adopted by the Group.

• Amendment to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
• Annual Improvements to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards – Volume 11[1]
• Amendment to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity[1]
• Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency[2]
• IFRS 18	Presentation and Disclosure in Financial Statements[2]
• IFRS 19	Subsidiaries without Public Accountability: Disclosures[2]

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

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

These amendments to existing standards and new standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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 Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in HK$, US dollar (US$) and Renminbi ("RMB").

The Group currently does not have a foreign currency hedging policy in respect of other foreign currency transactions, assets and liabilities.

There is no significant foreign exchange risk for HK$/US$ as HK$ are reasonably stable with US$ under the linked exchange rate system.

At 31 March 2026, if RMB had weakened/strengthened 5 per cent against HK$ with all other variables held constant, consolidated profit after tax for the year would have been approximately HK$2,399,000 (2025: 5 per cent & HK$3,144,000) lower/higher, arising mainly as a result of the net foreign exchange differences cash and cash equivalents, receivables and payables denominated in RMB.

This sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Price risk

The Group's financial assets at fair value are measured at fair value at the end of each reporting period.

At 31 March 2026, if the market price of the financial assets at fair value at that date had been increased/decreased by 5 per cent with all other variables held constant, the consolidated profit after tax for the year would increase/decrease by approximately HK$467,000 (2025: HK$531,000) arising as a result of gain/loss on financial assets at FVPL.

(iii) Interest rate risk

As the Group has significant interest-bearing assets, the Group's operating cash flows are dependent of changes in market interest rates. The Group's exposure to interest rate risk relates principally to its cash and cash equivalents. Certain of the Group's cash and cash equivalents bear interests at fixed interest rates and therefore are subject to fair value interest rate risks. The cash and cash equivalents bear interests at fixed interest rates ranging from approximately 3.00% to 3.73% (2025: 4.03% to 4.48%) per annum as at 31 March 2026. Other than these, the cash and cash equivalents bear interests at variable rates varied with the then prevailing market condition and thus exposing the Group to cash flow interest rate risk.

At 31 March 2026, if interest rates at that date had been 5 basis points higher/lower with all other variables held constant, consolidated profit after tax for the year would have been approximately HK$35,000 higher/lower, arising mainly as a result of higher/lower interest income on cash and cash equivalents. At 31 March 2025, if interest rates at that date had been 5 basis points higher/lower with all other variables held constant, consolidated profit after tax for the year would have been approximately HK$67,000 higher/lower, arising mainly as a result of higher/lower interest income on cash and cash equivalents.

The sensitivity analysis has been determined assuming that the change in rates had occurred throughout the year and had been applied to the exposure to interest rate risk for financial instruments in existence at the statement of financial position date.

(b) Credit risk

Credit risk arises from contractual cash flows of debt instruments carried at amortised cost, at FVPL, cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables.

(i) Risk management

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. As at 31 March 2026, the five largest trade receivables represent approximately 65% (2025: 64%) of the total trade receivables. The Group performs ongoing credit evaluation of its customers' financial condition and requires no collateral from its customers.

Cash at bank and short-term bank deposits are deposited with high-credit-quality financial institutions. As at 31 March 2026, majority of the bank deposits are placed with state-owned banks and listed financial institutions, which are at lower credit risks.

NOTES TO THE FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss model:

Trade receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on credit risk characteristics and credit rating. The expected loss rates are based on the historical credit loss rates by industry and data published by external credit rating institution, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Details of loss allowance of trade receivables as at 31 March 2026 were included in Note 20.

The Group has identified macroeconomic conditions, industry risks, probabilities of default and expected operating performance of the debtors in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Other financial assets at amortised cost

For other financial assets at amortised cost, the Group and the Company recognise loss allowances equal to 12-month expected credit losses unless there has been a significant increase in credit risk of the financial assets since initial recognition, in which case the loss allowances are measured at amounts equal to lifetime expected credit losses. The expected credit losses for other financial assets at amortised cost are not material as those relates to the amounts due from corporates or subsidiaries who have strong financial capacity to meet their contractual obligations.

Other receivables relating to the loans to Trio AI Limited ("Trio AI") are assessed individually for provision for impairment allowance. As at 31 March 2026, the balance of loans was HK$2,177,000 and the loss allowance in respect of individually assessed receivables was HK$2,177,000. The expected credit losses for other financial assets at amortised cost except for the loans to Trio AI are not material as those relates to the amounts due from corporates or subsidiaries who have strong financial capacity to meet their contractual obligations.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

NOTES TO THE FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
Group					
At 31 March 2026					
Trade payables	**231,434**	**–**	**–**	**–**	**231,434**
Other payables	**116,779**	**–**	**–**	**–**	**116,779**
	348,213	**–**	**–**	**–**	**348,213**
At 31 March 2025					
Trade payables	273,630	–	–	–	273,630
Other payables	98,109	–	–	–	98,109
	371,739	–	–	–	371,739
Company					
At 31 March 2026					
Other payables	**2,621**	**–**	**–**	**–**	**2,621**
At 31 March 2025					
Other payables	1,279	–	–	–	1,279

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares and buy-back shares, raise new debts, or sell assets to reduce debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total debts less cash and cash equivalents. Total equity was shown in the consolidated statement of financial position. At the end of the year, the Group has no debt outstanding (2025: nil) and the gearing ratio has not been disclosed.

The only externally imposed capital requirement is that for the Group to maintain its listing on the SGX-ST it has to have a public float of at least 10% of the shares. The Group receives a report from the share registrars monthly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 10% limit throughout the year. As at 31 March 2026, 74% (2025: 74%) of the shares were in public hands.

NOTES TO THE FINANCIAL STATEMENTS

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

The table below analyses the Group's financial instruments carried at fair value as at 31 March 2026 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 31 March 2026				
Financial assets at FVPL	**–**	**–**	**12,445**	**12,445**
At 31 March 2025				
Financial assets at FVPL	–	–	14,159	14,159

There were no transfers between different levels during the year.

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.

3.4 Financial instruments by category

	Group		Company	
	As at 31 March		As at 31 March	
	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000
Financial assets				
Financial assets at amortised cost				
Trade receivables	**304,196**	373,420	**–**	–
Other receivables	**11,476**	9,204	**–**	–
Due from subsidiaries	**–**	–	**575,174**	499,934
Cash and cash equivalents	**1,213,779**	1,093,812	**7,286**	4,692
Financial assets at FVPL	**12,445**	14,159	**–**	–
	1,541,896	1,490,595	**582,460**	504,626
Financial liabilities				
Financial liabilities at amortised cost				
Trade payables	**231,434**	273,630	**–**	–
Other payables	**116,779**	98,109	**2,622**	1,279
	348,213	371,739	**2,622**	1,279

NOTES TO THE FINANCIAL STATEMENTS

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Taxation

The Group is subject to income taxes. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax (Note 10) and deferred tax provisions (Note 22) in the period in which such determination is made.

(b) Measurement of financial assets at FVPL

In determining the fair value of unquoted investment in private equity funds, the Group relies on the net asset values as reported in the latest available fund statements provided by third-party fund managers. As the fund invests in unquoted investments, the fund manager uses valuation techniques to determine the fair value which may use unobservable inputs that are judgemental. The fair value of the financial assets as at the current financial year end is HK$12,445,000 (2025: HK$14,159,000) and the key assumptions are disclosed in Note 17.

(c) Impairment of non-current assets

The Group assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired based on facts and circumstances. If any such indication exists, the Group estimates the recoverable amount of the asset.

Based on the information available to the Group, Trio AI has not achieved sufficient commercial traction despite the addition of a new shareholder, YH Inv Limited ("YH Inv") and the additional working capital brought by YH Inv has not resulted in improvement to the business performance. In addition, certain rental amounts owing from Trio AI to the Group under the equipment leasing arrangements have remained outstanding beyond their contractual due dates. Taking into account uncertainties relating to Trio AI's business outlook, funding requirements and commercialisation progress, the Group has performed an impairment assessment in respect of equipment leased to Trio AI and the Graphic Processing Units and the related ancillary hardware acquired for Trio AI but not yet deployed to use (collectively known as "GPUs"). These GPUs are recorded in computers under property, plant and equipment (Note 13) as at 31 March 2026.

The estimation of the recoverable amount of the GPUs involves key accounting estimates, which are primarily based on the range of the prices of machine with similar configuration, adjusted for factors such as the age and condition of these assets and anticipated market demand.

During the current financial year, the Group recognised an impairment on property, plant and equipment and related lease receivables of HK$45,000,000.

NOTES TO THE FINANCIAL STATEMENTS

5 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 year the Group has two reportable segments as follows:

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

Depreciation, amortisation, capital expenditure, other non-cash expenses and other assets and liabilities cannot be directly attributable to individual segments and it is impractical to arbitrarily allocate them to the segments.

Segment assets and liabilities are evaluated based on the total assets and total liabilities in the statement of financial position.

	Consumer Electronics HK$'000	Industrial and Commercial Electronics HK$'000	Total HK$'000
Year ended 31 March 2026			
Revenue (from external customers)	214,178	1,446,068	1,660,246
Timing of revenue recognition			
– at a point in time (sales of goods and materials)	210,510	1,430,363	1,640,873
– over time (services)	3,668	15,705	19,373
Segment profit	17,500	279,310	296,810
Assets and liabilities			
Unallocated assets			2,184,053
Total assets			2,184,053
Unallocated liabilities			714,769
Total liabilities			714,769

NOTES TO THE FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Consumer Electronics HK$'000	Industrial and Commercial Electronics HK$'000	Total HK$'000
Year ended 31 March 2025			
Revenue (from external customers)	367,009	1,362,061	1,729,070
Timing of revenue recognition			
– at a point in time (sales of goods and materials)	364,930	1,349,621	1,714,551
– over time (services)	2,079	12,440	14,519
Segment profit	25,990	261,787	287,777
Assets and liabilities			
Unallocated assets			2,183,766
Total assets			2,183,766
Unallocated liabilities			727,659
Total liabilities			727,659

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

Reconciliation of segment profit to profit for the year:

	2026 HK$'000	2025 HK$'000
Segment profit	**296,810**	287,777
Interest income	**40,803**	52,719
Impairment loss on property, plant and equipment and related lease receivable	**(45,000)**	–
Impairment losses on financial assets	**(2,177)**	–
Gain on deemed disposal of a subsidiary	**9,401**	–
Share of loss of an associate	**(5,390)**	–
Unallocated corporate expenses		
– staff costs	**(131,109)**	(127,948)
– income tax expense	**(19,277)**	(8,244)
– others (note)	**(32,620)**	(37,817)
Profit for the year	**111,441**	166,487

note:

Other expenses are primarily made up of legal and professional services, travel-related costs, and general expenditures that are not directly assignable to individual segments.

	2026 HK$'000	2025 HK$'000
Revenue		
Sales of goods	**1,640,873**	1,714,551
Tooling	**19,373**	14,519
	1,660,246	1,729,070

NOTES TO THE FINANCIAL STATEMENTS

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information:

	Revenue		Non-current assets (other than financial instruments)	
	2026 HK$'000	**2025 HK$'000**	**2026 HK$'000**	**2025 HK$'000**
United States of America	**775,019**	740,198	**–**	–
Canada	**251,286**	188,564	**–**	–
Poland	**153,903**	177,265	**–**	–
Hong Kong	**139,461**	117,816	**157,998**	216,577
People's Republic of China (the "PRC")	**110,350**	208,522	**61,683**	68,361
Netherlands	**62,546**	87,263	**–**	–
France	**35,726**	35,352	**–**	–
Australia	**27,316**	22,446	**–**	–
Taiwan	**21,221**	31,416	**–**	–
Indonesia	**9,297**	60,792	**–**	–
Vietnam	**–**	–	**193,936**	209,967
Other countries/regions	**74,121**	59,436	**–**	–
Total	**1,660,246**	1,729,070	**413,617**	494,905

During the financial year ended 31 March 2026, the Group's external revenue of approximately HK1,149 million (2025: HK$1,058 million) was generated from five (2025: four) major customers, each of which accounted for 10% or more of the Group's total external revenue. These revenues were attributable to both Consumer Electronics and Industrial and Commercial Electronics segments.

6 OTHER INCOME AND GAINS, NET

	2026 HK$'000	**2025 HK$'000**
Other income		
– sales of scrap materials	**783**	853
– interest income	**40,803**	52,719
– government grants	**253**	109
– rework income	**204**	1,383
– sundry income	**44**	847
Gain/(loss) on		
– investment of financial assets at FVPL	**–**	374
– fair value change of financial assets at FVPL	**–**	(4,563)
– disposals of property, plant and equipment	**55**	454
– net foreign exchange	**4,674**	5,858
	46,816	58,034

NOTES TO THE FINANCIAL STATEMENTS

7 EXPENSES BY NATURE

	2026 HK$'000	2025 HK$'000
Changes in inventories of finished goods and work-in-progress	**(4,224)**	5,913
Raw materials and consumables used	**1,094,866**	1,182,081
Depreciation of right-of-use assets (Note 14)	**1,031**	1,049
Depreciation of property, plant and equipment (Note 13)	**45,613**	42,353
Auditors' remuneration		
– audit services	**2,933**	2,951
– other auditors	**264**	236
Legal and professional fees	**9,887**	10,927
Staff costs, excluding directors' remuneration (Note 8)	**281,750**	264,417
Directors' remuneration (Note 9)	**20,487**	24,102
Others	**79,889**	77,724
Total cost of sales, selling and distribution expenses and administrative expenses	**1,532,496**	1,611,753

8 STAFF COSTS, EXCLUDING DIRECTORS' REMUNERATION

	2026 HK$'000	2025 HK$'000
Salaries, wages, bonuses and allowances	**259,693**	244,672
Retirement benefit scheme contributions and post-employment benefits	**20,292**	18,238
Share-based compensation	**1,765**	1,507
	281,750	264,417

9 DIRECTORS' REMUNERATION

	2026 HK$'000	2025 HK$'000
Independent directors		
– fee	**1,535**	1,509
Executive directors		
– salaries, wages, bonuses and allowances	**18,934**	22,575
– retirement benefit scheme contributions	**18**	18
	20,487	24,102

NOTES TO THE FINANCIAL STATEMENTS

10 INCOME TAX EXPENSE

	2026 HK$'000	2025 HK$'000
Current income tax expense		
– Hong Kong profits tax	**15,977**	8,544
– Vietnam corporate income Tax	**3,300**	–
Deferred income tax credit (note 22)	**–**	(300)
	19,277	8,244

Tax charge on profits assessable have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

(a) Hong Kong

Hong Kong profits tax is provided at 16.5% (2025: 16.5%) based on the estimated assessable profit for the year.

(b) The PRC

The PRC Corporate Income Tax had been provided for at applicable tax rates under the relevant regulations of the PRC and on the estimated assessable profit of entity within the Group established in the Mainland of China for the years ended 31 March 2026 and 2025. The general PRC Corporate Income Tax rate was 25% in 2026 and 2025.

(c) Vietnam

The Corporate Income Tax rate in Vietnam is 20%. Pursuant to relevant income tax rules and regulations in the Vietnam, the subsidiary in the Vietnam is enjoying tax incentives of 2 years exemption and next 4 years of 50% reduction. Consequently, this subsidiary applicable income tax rate in 2026 is 10% (2025: 0%).

In accordance with the relevant income tax rules and regulations of the PRC, the Group is liable to withholding tax on dividends distributed from the Group's PRC subsidiaries in respect of their profits generated on or after 1 January 2008. As at 31 March 2026, the aggregate amount of the temporary differences relating to the undistributed profits of the Group's PRC subsidiaries amounted to approximately HK$10,265,000 (2025: HK$23,303,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

10 INCOME TAX EXPENSE (CONTINUED)

The reconciliation between the Group's actual tax charge and the amount which is calculated based on the Hong Kong profits tax rate is as follows:

	2026 HK$'000	2025 HK$'000
Profit before income tax	**130,718**	174,731
Tax calculated at Hong Kong profits tax rate of 16.5%	**21,568**	28,831
Income not subject to tax	**(10,011)**	(9,727)
Tax losses for which no deferred tax asset was recognised	**14,725**	1,714
Tax concession	**(7,067)**	(10,238)
Effect of different tax rate of subsidiaries operating in other jurisdiction	**(84)**	552
Previously unrecognised tax losses	**(2,009)**	(2,196)
Others	**2,155**	(692)
Tax charge	**19,277**	8,244

11 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company of HK$117,123,000 (2025: HK$170,387,000) by the weighted average number of ordinary shares of 407,852,130 (2025: 409,679,153) in issue during the year.

Diluted earnings per share is calculated by dividing the profit attributable to owners of the Company of HK$117,123,000 (2025: HK$170,387,000) by the weighted average number of ordinary shares of 409,804,381 (2025: 410,754,398), being the weighted average number of ordinary shares of 407,852,130 (2025: 409,679,153) in issue during the year used in the basic earnings per share calculation plus the weighted average number of ordinary shares of 1,952,251 (2025: 1,075,245) assumed to have been issued at no consideration on the deemed exercise of the share options outstanding during the year.

12 DIVIDENDS

	2026 HK$'000	2025 HK$'000
Interim dividend, paid of HK$0.04 (2025: HK$0.04) per ordinary share	**16,345**	16,394
Special interim dividend, paid of HK$0.04 (2025: HK$0.04) per ordinary share	**16,345**	16,394
Final dividend, proposed of HK$0.14 (2025: HK$0.11) per ordinary share	**57,376**	45,069
Special dividend, proposed of HK$0.16 (2025: HK$0.08) per ordinary share	**65,572**	32,777

The Company paid a final dividend attributable to the previous financial year of HK$77,640,000 (2025: HK$70,013,000).

As announced by the Company on 28 May 2026 a special final dividend of HK$0.16 per share and final dividend of HK$0.14 per share amounting to a total of HK$65,572,000 and HK$57,376,000 respectively will be recommended at the Annual General Meeting expected to be held on 27 July 2026. These dividends are not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 March 2026 subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS

13 PROPERTY, PLANT AND EQUIPMENT

	Group						
	Land and buildings HK$'000	Equipment and machinery HK$'000	Computers HK$'000 (note)	Furniture and fittings HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost							
At 1 April 2025	253,156	395,794	56,522	54,081	27,494	6,184	793,231
Additions	21,939	17,876	142,985	295	589	290	183,974
Disposals	–	(32,378)	(455)	(5,797)	(397)	–	(39,027)
Exchange differences	4,801	319	–	22	14	23	5,179
At 31 March 2026	**279,896**	**381,611**	**199,052**	**48,601**	**27,700**	**6,497**	**943,357**
Accumulated depreciation and accumulated impairment							
At 1 April 2025	85,107	345,470	10,315	50,724	25,787	3,376	520,779
Charge for the year	11,684	19,239	10,617	1,550	1,128	1,395	45,613
Disposals	–	(32,370)	(455)	(5,797)	(395)	–	(39,017)
Impairment losses	–	–	45,000	–	–	–	45,000
Exchange differences	4,307	673	3	15	10	9	5,017
At 31 March 2026	**101,098**	**333,012**	**65,480**	**46,492**	**26,530**	**4,780**	**577,392**
Net book amount							
At 31 March 2026	**178,798**	**48,599**	**133,572**	**2,109**	**1,170**	**1,717**	**365,965**
Cost							
At 1 April 2024	266,794	416,856	5,939	53,742	28,736	5,702	777,769
Additions	318	6,847	52,260	343	–	553	60,321
Disposals	(7,121)	(23,949)	(1,668)	–	(1,161)	–	(33,899)
Exchange differences	(6,835)	(3,960)	(9)	(4)	(81)	(71)	(10,960)
At 31 March 2025	253,156	395,794	56,522	54,081	27,494	6,184	793,231
Accumulated depreciation and accumulated impairment							
At 1 April 2024	83,041	350,802	5,766	48,414	25,685	2,178	515,886
Charge for the year	10,914	20,357	6,223	2,310	1,310	1,239	42,353
Disposals	(7,121)	(23,735)	(1,667)	–	(1,161)	–	(33,684)
Exchange differences	(1,727)	(1,954)	(7)	–	(47)	(41)	(3,776)
At 31 March 2025	85,107	345,470	10,315	50,724	25,787	3,376	520,779
Net book amount							
At 31 March 2025	168,049	50,324	46,207	3,357	1,707	2,808	272,452

note:

The additions in computers of HK$142,985,000 include a deposit of HK$142,045,000 paid for GPUs and related ancillary hardware, which was transferred to property, plant and equipment during the year ended 31 March 2026.

The Group recognised impairment provisions in respect of the Group's equipment leased to Trio AI and the GPUs and related ancillary hardware acquired but not yet deployed to use.

The GPUs leased to Trio AI was deployed in the second half of financial year ended 31 March 2025 and had an original cost of approximately HK$52,207,000. Upon the Group's loss of control over Trio AI, the lease arrangement in respect of these GPUs was classified as finance lease.

As at 31 March 2026, certain rental amounts due from Trio AI to the Group under the equipment leasing agreement remained outstanding beyond their contractual due dates, accordingly the equipment leasing agreement was in default and the GPUs were accounted for as property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation expenses were charged to the consolidated income statement as follows:

	2026 HK$'000	2025 HK$'000
Cost of sales	**43,272**	40,641
Administrative expenses	**2,341**	1,712
	45,613	42,353

14 LEASES

(a) Right-of-use assets

	Land use rights HK$'000
At 1 April 2024	40,536
Depreciation	(1,049)
Exchange differences	(1,216)
At 31 March 2025	38,271
Depreciation	(1,031)
Exchange differences	396
At 31 March 2026	**37,636**

(b) Other amounts recognised in the income statement and statement of cash flows

	2026 HK$'000	2025 HK$'000
Expenses related to short-term leases (included in administrative expenses)	**2,695**	2,195
Total cash outflow for the short-term leases	**2,695**	2,195

note:

As the rent amounts related to leases had been fully prepaid by the Group at the inception of lease agreements, there were no lease liabilities as at 31 March 2026 and 2025.

15 INVESTMENT IN SUBSIDIARIES

	Company	
	As at 31 March	
	2026 HK$'000	2025 HK$'000
Unquoted investments, at cost	**83,330**	83,330

The amounts due from subsidiaries amounting to HK$575,174,000 (2025: HK$499,934,000) are non-trade in nature, unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

15 INVESTMENT IN SUBSIDIARIES (CONTINUED)

Particulars of the subsidiaries as at 31 March 2026 are as follows:

Name	Date and place of incorporation/ establishment	Group's effective equity interest 2026	Group's effective equity interest 2025	Paid-up share/ registered capital 2026	Paid-up share/ registered capital 2025	Principal activities
Directly held:						
Value Creation Enterprises Limited*	12 April 2001 British Virgin Islands	**100%**	100%	**US$16,667**	US$16,667	Investment holding
Indirectly held:						
Maxhall Ltd.*	12 July 2000 British Virgin Islands	**100%**	100%	**US$1**	US$1	Investment holding
Mighty Resources Inc.*	27 October 2003 British Virgin Islands	**100%**	100%	**US$1**	US$1	Investment holding
Honor Tone Limited**	19 March 1992 Hong Kong	**100%**	100%	**HK$6,000,000**	HK$6,000,000	Electronics manufacturing
Value Chain Limited**	15 November 1999 Hong Kong	**100%**	100%	**HK$3,000,000**	HK$3,000,000	Investment holding
Honor Tone Electronics (Hui Yang) Enterprises Limited ("HTE") (note (a))	15 September 2000 PRC	**100%**	100%	**–**	HK$5,500,000	Electronics manufacturing
Huizhou Daya Bay Honor Tone Industrial Ltd. ("Daya Bay") (note (b))***	21 April 2006 PRC	**100%**	100%	**US$12,100,000**	US$12,100,000	Property holding and electronics manufacturing
Valuetronics Asia Limited**	7 May 2009 Hong Kong	**100%**	100%	**HK$20,000,000**	HK$20,000,000	Trading and provision of business services
Value Match Company Limited ("VML")**	30 May 2014 Hong Kong	**100%**	100%	**HK$1**	HK$1	Investment holding
Valuetronics Vietnam Company Limited ("Valuetronics Vietnam")****	16 October 2019 Vietnam	**100%**	100%	**Vietnamese Dong ("VND") 262,119,000,000**	VND 262,119,000,000	Electronics manufacturing
Computing Assets Limited ("CAL")**	19 June 2024 Hong Kong	**100%**	100%	**HK$1**	HK$1	Provision of business services

notes:

(a) HTE was established as a wholly foreign-owned enterprise in the PRC on 15 September 2000 and had been deregistered on 15 October 2025.

(b) Daya Bay was established as a wholly foreign-owned enterprise in the PRC on 21 April 2006 with an operation period of 50 years commencing from 21 April 2006.

* Not required to be audited by law of country of incorporation. These subsidiaries are not material.

** The statutory financial statements of these subsidiaries were audited by PricewaterhouseCoopers.

*** The statutory financial statements of this subsidiary, prepared in accordance with generally accepted accounting principles in the PRC, were audited by 广东荣德会计师事务所 (Guangdong Rongde Certified Public Accountants) for tax filing and annual registration purposes.

**** The statutory financial statements of this subsidiary, prepared in accordance with generally accepted accounting principles in Vietnam, were audited by PricewaterhouseCoopers (Vietnam) Limited.

NOTES TO THE FINANCIAL STATEMENTS

16 INVESTMENT IN AN ASSOCIATE

	Group	
	As at 31 March	
	2026 HK$'000	2025 HK$'000
As at 1 April	**–**	–
Investment in an associate resulting from deemed disposal of a subsidiary	**5,390**	–
Share of loss of an associate	**(5,390)**	–
As at 31 March	**–**	–

VML and Sinnet Cloud HK Limited ("Sinnet Cloud HK") incorporated Trio AI on 19 June 2024 with the capital injection of HK$7,700,000 at cash and HK$6,300,000 in-kind in the form of a grant of a perpetual licence on an exclusive basis of a proprietary software platform owned by Sinnet Cloud HK, respectively.

On 16 September 2025, Trio AI entered into a conditional subscription agreement with YH Inv, pursuant to which YH Inv subscribed for 15,000,000 new ordinary shares in Trio AI, representing approximately 51.7% of the enlarged issued share capital for an aggregate cash consideration of HK$15,000,000. Upon the completion of the subscription in October 2025, the Group's interest in Trio AI was diluted to 26.6%. The remaining interests in Trio AI was valued at HK$5,390,000 on the deemed disposal date with reference to the implied value of the newly issued shares adjusted for a discount for lack of control. The Group recorded a disposal gain of HK$9,401,000 as a result of this deemed disposal.

Details of the associate is as follows:

Name	Date and place of incorporation/ establishment	Group's effective equity interest 2026	Group's effective equity interest 2025	Paid-up share/ registered capital 2026	Paid-up share/ registered capital 2025	Principal activities
Trio AI Limited	19 June 2024 Hong Kong	**26.60%**	55%	**HK$29,000,000**	HK$14,000,000	Provision of business services

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	As at 31 March	
	2026 HK$'000	2025 HK$'000
Financial asset at FVPL	**12,445**	14,159

note:

As at 31 March 2026, the Group holds participating shares of a private equity fund with fair value of RMB11.0 million (equivalent to approximately HK$12.4 million) (2025: RMB13.4 million (equivalent to approximately HK$14.2 million)). Given all relevant investment decision making power is rested with the management shareholder and investment manager, there is no mechanism in place that allow participating shareholder to participate in investment related decision making. The Group has neither significant influence nor joint control over this investment and therefore accounted for this investment as financial assets at FVPL.

In the current year, there was a return of capital of HK$2,649,000 with a currency translation gain of HK$935,000 recognised in other comprehensive income (2025: return of capital of HK$2,478,000 with a gain of HK$374,000, currency translation loss of HK$400,000 recognised in other comprehensive income, fair value loss of HK$4,563,000 in profit or loss).

NOTES TO THE FINANCIAL STATEMENTS

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Valuation techniques and inputs used in Level 3 fair value measurements

Description	Fair value as at 31 March 2026 HK$'000	Valuation technique	Relationship of unobservable inputs to fair value
Investment in private equity fund	**12,445** (2025: 14,159)	Adjusted net asset value*	The higher the adjusted net asset value, the higher the valuation.

* Fair value of investment in private equity fund is determined by reference to the underlying assets value of the investee companies, which are measured by the third-party fund manager using recent arm's length transactions between knowledgeable, willing parties (if available) and latest round of fund raising along with discount adjustments as the estimated net asset value does not necessarily represent the amounts that may be ultimately realised upon sale of the fund.

18 PREPAYMENTS AND OTHER ASSETS

	Group		Company	
	As at 31 March		As at 31 March	
	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000
Current				
Prepayment for goods and service	**1,723**	4,696	**325**	334
Others	**27,902**	21,822	**–**	–
	29,625	26,518	**325**	334
Non-current				
Prepayments for property, plant and equipment	**4,872**	169,800	**–**	–
Asset recognised from costs incurred to fulfil contracts	**4,311**	8,000	**–**	–
Others	**227**	211	**–**	–
	9,410	178,011	**–**	–

19 INVENTORIES

	Group	
	As at 31 March	
	2026 HK$'000	2025 HK$'000
Raw materials	**123,284**	100,341
Work-in-progress	**29,947**	23,873
Finished goods	**45,684**	47,534
	198,915	171,748

The cost of inventories recognised as expense and included in 'cost of sales' amounted to HK$1,090,642,000 (2025: HK$1,187,994,000).

NOTES TO THE FINANCIAL STATEMENTS

20 TRADE RECEIVABLES

	Group		
	As at 31 March		
	2026	**2025**	**2024**
	HK$'000	**HK$'000**	**HK$'000**
Trade receivables from contracts with customers	**305,916**	375,140	383,625
Less: credit loss allowance	**(1,720)**	(1,720)	(1,720)
	304,196	373,420	381,905

The Group normally grant credit periods ranging from 30 days to 130 days. The expected credit loss of trade receivables and the Group's exposure to credit risk are disclosed in Note 3.1(b)(ii).

As at 31 March 2026 and 2025, the aging analysis of trade receivables based on due date are as follows:

	Group	
	As at 31 March	
	2026	**2025**
	HK$'000	**HK$'000**
Current portion	**275,649**	343,682
1 to 90 days	**30,267**	31,458
	305,916	375,140

The carrying amounts of trade receivables are denominated in the following currencies:

	Group	
	As at 31 March	
	2026	**2025**
	HK$'000	**HK$'000**
US$	**299,743**	366,514
RMB	**4,453**	6,906
	304,196	373,420

Movements on the Group's credit loss allowance for trade receivables are as follows:

	For the year ended 31 March 2026 HK$'000
As at 1 April 2025	(1,720)
Credit loss allowance recognised, net	–
As at 31 March 2026	**(1,720)**

NOTES TO THE FINANCIAL STATEMENTS

20 TRADE RECEIVABLES (CONTINUED)

The credit loss allowance of trade receivables as at 31 March 2026 is determined as follows:

	Group		
	As at 31 March 2026		
	Gross carrying amount HK$'000	Expected credit loss rate	Credit loss allowance HK$'000
By credit risk category			
– Type I	**129,223**	**0.16%**	**204**
– Type II	**98,671**	**0.46%**	**450**
– Type III	**78,022**	**1.37%**	**1,066**
	305,916		**1,720**

21 CASH AND CASH EQUIVALENTS

	Group		Company	
	As at 31 March		As at 31 March	
	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000
Cash at bank and on hand	**71,737**	133,990	**7,286**	4,692
Short-term bank deposits	**1,142,042**	959,822	**–**	–
	1,213,779	1,093,812	**7,286**	4,692

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	As at 31 March		As at 31 March	
	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000
US$	**1,175,620**	1,036,861	**5**	48
HK$	**15,267**	18,360	**33**	92
RMB	**8,885**	27,437	**–**	–
Singapore Dollars ("S$")	**8,173**	6,001	**7,248**	4,552
VND	**5,827**	4,941	**–**	–
Japanese Yen ("JPY")	**7**	212	**–**	–
	1,213,779	1,093,812	**7,286**	4,692

Conversion of RMB and VND into foreign currencies are subject to the rules and regulations of foreign exchange control promulgated by the PRC and Vietnam Governments respectively.

NOTES TO THE FINANCIAL STATEMENTS

22 DEFERRED INCOME TAX

(a) Deferred income tax assets

	Group
	Accelerated tax depreciation HK$'000
At 1 April 2024	306
Charged to consolidated income statement (Note 10)	300
At 31 March 2025	606
Charged to consolidated income statement (Note 10)	–
At 31 March 2026	**606**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK$16,503,000 (2025: HK$17,513,000) in respect of losses amounting to HK$90,664,000 (2025: HK$88,635,000) comprising tax losses of HK$72,511,000 (2025: HK$10,779,000) can be carried forward against future taxable income without expiries and tax losses of HK$18,153,000 (2025: HK$77,856,000) which will expire within five years, respectively.

23 TRADE PAYABLES

The carrying amounts of trade payables are denominated in the following currencies:

	Group	
	As at 31 March	
	2026 HK$'000	2025 HK$'000
US$	**162,627**	199,312
HK$	**57,059**	15,038
VND	**5,423**	1,463
RMB	**4,884**	50,963
JPY	**1,145**	6,560
Others	**296**	294
	231,434	273,630

As at 31 March 2026 and 2025, the aging analysis of trade payables based on invoice date are as follows:

	Group	
	As at 31 March	
	2026 HK$'000	2025 HK$'000
Within 1 year	**225,173**	254,924
1 to 2 years	**3,199**	7,867
2 to 3 years	**2,962**	7,728
Over 3 years	**100**	3,111
	231,434	273,630

NOTES TO THE FINANCIAL STATEMENTS

24 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	As at 31 March		As at 31 March	
	2026 HK$'000	2025 HK$'000	2026 HK$'000	2025 HK$'000
Accruals and other payables	**234,476**	209,432	**2,621**	1,279
Deposits received	**123,192**	116,597	**–**	–
Staff bonuses payables	**14,349**	13,916	**–**	–
Bonuses payables to directors	**14,887**	17,682	**–**	–
Provision for sales returns (note (i))	**11,054**	11,473	**–**	–
Provision for claims from customers (note (i))	**1,374**	10,846	**–**	–
	399,332	379,946	**2,621**	1,279

notes:

(i) Movements of the provisions are as follows:

	Group	
	Sales returns HK$'000 (note (ii))	Claims from customers HK$'000 (note (iii))
At 1 April 2024	17,169	13,088
Charge for the year	2,757	–
Settlements	(2,651)	–
Reversals	(5,802)	(2,242)
At 31 March 2025	11,473	10,846
Charge for the year	2,046	–
Settlements	(1,046)	–
Reversals	(1,419)	(9,472)
At 31 March 2026	**11,054**	**1,374**

(ii) Sales return

The Group records provision for sales return on the basis of return of goods incurred or estimation under its historical experience. The specific sales return terms and conditions vary depending upon the product and the country in which it was sold. The Group re-evaluates its estimates at the end of each reporting period to assess the adequacy of its recorded sales return liabilities and adjusts the amounts as necessary.

(iii) Claim

Provision for claims is in respect of certain claims brought against the Group by customers. The specific claim terms and conditions vary depending upon the product and the country in which it was sold. The period ranges from one to seven years.

NOTES TO THE FINANCIAL STATEMENTS

25 CONTRACT LIABILITIES

The Group has recognised the following contract liabilities related to contracts with customers:

	Group		
	As at 31 March		As at 1 April
	2026	**2025**	**2024**
	HK$'000	**HK$'000**	**HK$'000**
Contract liabilities			
– Current portion	**8,565**	16,722	22,596
– Non-current portion	**5,360**	5,818	4,230
Total	**13,925**	22,540	26,826
Revenue recognised in relation to contract liabilities			
Advance payments from customers with underlying performance obligations yet to be satisfied as at 31 March	**13,925**	22,540	26,826
Income recognised that was included in the contract liabilities balance at beginning of the financial year	**16,722**	12,412	12,133

Management expects that HK$8,565,000 (2025: HK$16,722,000) of the transaction price allocated to unsatisfied performance obligations as of 31 March 2026 will be recognised as revenue during the next reporting period. The remaining HK$5,360,000 (2025: HK$5,818,000) will be recognised beyond the next reporting period.

26 SHARE CAPITAL

	Number of ordinary shares of HK$0.1 each	Amount HK$'000
Authorised		
At 1 April 2024, 31 March 2025 and 31 March 2026	**1,900,000,000**	**190,000**
Issued and fully paid		
At 1 April 2024, 31 March 2025 and 31 March 2026	**435,630,837**	**43,563**

notes:

(a) Each ordinary share carries one vote.

(b) During the financial year ended 31 March 2026, the Company purchased 4,050,000 (2025: 3,872,600) shares from open market and transferred 4,159,290 (2025: 4,185,000) out of treasury shares as a result of share option exercised. Total consideration of the treasury shares purchased is S$2,494,780 (2025: S$2,382,700) which is equivalent to approximately HK$14,345,000 (2025: HK$13,831,000). The shares were purchased at an average price of S$0.616 (2025: S$0.615) per share, with prices ranging from S$0.573 to S$0.644 (2025: S$0.595 to S$0.655). As at 31 March 2026, the number of treasury shares was 25,803,810 (2025: 25,913,100).

27 SHARE-BASED COMPENSATION

The Company has share incentive plans for its employees, namely Employee Share Option Scheme ("ESOS") and Performance Share Plan ("PSP"). ESOS and PSP are collectively known as "Company Incentive Plans".

The particulars of the Company Incentive Plans are as follows:

(a) Equity-settled ESOS

The purpose is to provide incentives and rewards to eligible participants who contribute significantly to the growth and performance of the Group. Eligible participants include confirmed employees of the Group and Non-Executive Directors (including Independent Directors) ("ESOS Participants") selected by the remuneration committee of the Company (the "Committee"). The ESOS became effective on 6 February 2007 and expired on 5 February 2017. The expiry did not affect any options which had been granted thereunder. On 24 July 2017 a similar ESOS was approved by the shareholders of the Company which shall continue in force at the discretion of the Committee, subject to a maximum period of ten years from that date.

NOTES TO THE FINANCIAL STATEMENTS

27 SHARE-BASED COMPENSATION (CONTINUED)

(a) Equity-settled ESOS (Continued)

The right to subscribe for the ordinary shares of HK$0.1 each in the capital of the Company ("Shares") granted and to be granted to ESOS Participants pursuant to the ESOS ("Options") offered may only be accepted within 30 days from the date of the offer. The exercise period of the Options granted is determinable by the Committee, and commences after a certain vesting period and ends on a date which is not later than ten years from the date of the grant of the Options.

The exercise price of the Options is determined by the Committee at equal to the average of the last dealt prices for the Shares on the SGX-ST over the five consecutive trading days immediately preceding the date of offer of the Options (the "Market Price") or at a discount to the Market Price provided that the maximum discount shall not exceed twenty percent (20%) of the Market Price and the shareholders of the Company in general meeting shall have authorised, in a separate resolution, the making of offers and grants of the Options under the ESOS at a discount not exceeding the maximum discount as aforesaid.

Details of the specific categories of options are as follows:

			Exercise Price		Number of outstanding share options	
	Date of grant	Exercise period	2026	2025	2026	2025
2016B	24 August 2015	25 August 2018 to 24 August 2025	**S$0.268**	S$0.268	**–**	27,500
2017C	18 August 2016	19 August 2019 to 18 August 2026	**S$0.379**	S$0.379	**55,000**	55,000
2018A	27 September 2017	28 September 2019 to 27 September 2027	**S$0.701**	S$0.701	**725,000**	800,000
2018B	27 September 2017	28 September 2020 to 27 September 2027	**S$0.701**	S$0.701	**1,675,000**	1,900,000
2019A	21 September 2018	22 September 2020 to 21 September 2028	**S$0.530**	S$0.530	**–**	70,000
2019B	21 September 2018	22 September 2021 to 21 September 2028	**S$0.530**	S$0.530	**203,210**	665,000
2020A	15 November 2019	16 November 2021 to 15 November 2029	**S$0.570**	S$0.570	**320,000**	610,000
2020B	15 November 2019	16 November 2022 to 15 November 2029	**S$0.570**	S$0.570	**720,000**	1,840,000
2021A	18 November 2020	19 November 2022 to 18 November 2030	**S$0.460**	S$0.460	**50,000**	75,000
2021B	18 November 2020	19 November 2023 to 18 November 2030	**S$0.460**	S$0.460	**180,000**	255,000
2022A	7 December 2021	8 December 2023 to 7 December 2031	**S$0.530**	S$0.530	**260,000**	370,000
2022B	7 December 2021	8 December 2024 to 7 December 2031	**S$0.530**	S$0.530	**530,000**	1,390,000
2023A	15 November 2022	16 November 2024 to 15 November 2032	**S$0.490**	S$0.490	**–**	220,000
2023B	15 November 2022	16 November 2025 to 15 November 2032	**S$0.490**	S$0.490	**690,000**	1,080,000
2024A	23 August 2023	24 August 2025 to 23 August 2033	**S$0.518**	S$0.518	**150,000**	400,000
2024B	23 August 2023	24 August 2026 to 23 August 2033	**S$0.518**	S$0.518	**1,280,000**	1,370,000
2025A	10 December 2024	11 December 2026 to 10 December 2034	**S$0.629**	S$0.629	**490,000**	510,000
2025B	10 December 2024	11 December 2027 to 10 December 2034	**S$0.629**	S$0.629	**1,400,000**	1,430,000
2026A	15 December 2025	16 December 2027 to 15 December 2035	**S$0.859**	–	**420,000**	–
2026B	15 December 2025	16 December 2028 to 15 December 2035	**S$0.859**	–	**1,295,000**	–
					10,443,210	13,067,500

NOTES TO THE FINANCIAL STATEMENTS

27 SHARE-BASED COMPENSATION (CONTINUED)

(a) Equity-settled ESOS (Continued)

If the Options remain unexercised after a period of ten years from the date of grant, the Options expire. Options are forfeited if the ESOS Participant leaves the Group before the Options vest.

Details of the Options outstanding during the year are as follows:

	2026		2025	
	Number of Options	Weighted average exercise price S$	Number of Options	Weighted average exercise price S$
Outstanding at beginning of the year	**13,067,500**	**0.579**	15,474,500	0.551
Granted	**1,715,000**	**0.859**	1,940,000	0.629
Exercised	**(4,159,290)**	**0.546**	(4,185,000)	0.498
Forfeited	**(180,000)**	**0.543**	(162,000)	0.586
Outstanding at end of the year	**10,443,210**	**0.639**	13,067,500	0.579
Exercisable at end of the year	**5,558,210**	**0.602**	8,277,500	0.592

The weighted average share price at the date of exercise for Options exercised during the year was S$0.546 (2025: S$0.498). The Options outstanding at the end of the year have a weighted average remaining contractual life of 5.9 years (2025: 6.0 years) and the exercise price ranged from S$0.379 to S$0.859 (2025: S$0.268 to S$0.701). During the financial year ended 31 March 2026, Options were granted on 15 December 2025 and the estimated fair value of the Options on that date is S$399,109. During the financial year ended 31 March 2025, Options were granted on 10 December 2024 and the estimated fair value of the Options on that date is S$330,934.

These fair values were calculated using the Binomial Model. Expected volatility was determined by calculating the historical volatility of the share prices of the Company. The expected life used in the model has been adjusted, based on the Group's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The inputs into the model were as follows:

	2026A and 2026B	2025A and 2025B
Exercise price	**S$0.859**	S$0.629
Expected volatility	**30.55%**	31.26%
Expected life	**10 years**	10 years
Risk free rate	**2.18%**	2.7%
Expected dividend yield	**3.28%**	3.67%

(b) Equity-settled PSP

The PSP was adopted on 28 July 2008 and replaced by a similar PSP approved by the shareholders of the Company on 24 July 2017. The PSP is targeted at executives in key positions who are able to drive the growth of the Group through innovation, creativity and superior performance. Eligible participants include confirmed employees of the Group and Non-Executive Directors (including Independent Directors) ("PSP Participants") who were selected by the Committee. The PSP shall remain in force at the discretion of the Committee, subject to a maximum period of ten years from the date of adoption. Under the PSP, the Committee may grant a contingent award of Shares of the Company ("Award") to the PSP Participant. Awards represent the right of a PSP Participant to receive fully paid Shares, their equivalent cash value or combinations thereof, free of charge, upon the PSP Participant achieving prescribed performance targets and/or service conditions or otherwise having performed well and/or made a significant contribution to the Group. PSP Participants are not required to pay for the grant of the Awards.

NOTES TO THE FINANCIAL STATEMENTS

27 SHARE-BASED COMPENSATION (CONTINUED)

(b) Equity-settled PSP (Continued)

The Committee will issue an Award letter confirming the Award and specifying inter alia, the vesting period, the prescribed performance target(s) and/or service condition(s), the performance period during which the prescribed performance target(s) and/or service condition(s) are to be attained or fulfilled and the schedule setting out the extent to which Shares will be released on satisfaction of the prescribed performance target(s) and/or service condition(s), to each PSP Participant as soon as is reasonably practicable after the making of an Award.

The Committee shall have the discretion to determine whether the performance target(s) has been satisfied (whether fully or partially) or exceeded. The Company shall on the date of release of an Award do any one or more of the following as it deems fit in its sole and absolute discretion:

(i) allot and issue the relevant Shares to the PSP Participant, and apply to the SGX-ST, for permission to deal in and for quotation of such Shares; and/or

(ii) deliver existing Shares to the PSP Participant, whether such existing Shares are acquired pursuant to a share purchase mandate or (to the extent permitted by law) held as treasury shares; and/or

(iii) subject to the prior approval of the Committee and at the Committee's absolute discretion, pay the equivalent value in cash (after deduction of any applicable taxes) to the PSP Participant, in lieu of the Shares to be issued or delivered to the PSP Participant.

There are no Awards outstanding at 31 March 2026 and 2025.

28 RESERVES

Movement in the reserves of the Company are set out below.

	Company				
	Share premium HK$'000	Contributed surplus HK$'000	Share-based compensation reserve HK$'000	Retained earnings HK$'000	Total HK$'000
	(note (i))	(note (ii))	(note (iii))		
At 1 April 2025	169,221	67,239	14,772	372,315	623,547
Total comprehensive income for the year	–	–	–	185,621	185,621
Dividends paid (Note 12)	–	–	–	(110,330)	(110,330)
Share-based compensation	–	–	1,894	–	1,894
Exercise of share option	5,342	–	(5,398)	–	(56)
Forfeiture of share options	–	–	(129)	–	(129)
At 31 March 2026	**174,563**	**67,239**	**11,139**	**447,606**	**700,547**
At 1 April 2024	164,515	67,239	18,494	352,987	603,235
Total comprehensive income for the year	–	–	–	122,129	122,129
Dividends paid (Note 12)	–	–	–	(102,801)	(102,801)
Share-based compensation	–	–	1,733	–	1,733
Exercise of share option	4,706	–	(5,229)	–	(523)
Forfeiture of share options	–	–	(226)	–	(226)
At 31 March 2025	169,221	67,239	14,772	372,315	623,547

NOTES TO THE FINANCIAL STATEMENTS

28 RESERVES (CONTINUED)

notes:

(i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonuses shares or in providing for the premiums payable on repurchase of shares.

(ii) Contributed surplus

Contributed surplus of the Company arose as a result of the restructuring exercise in prior years and represented the difference between the then consolidated net asset value of subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefor.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution to shareholders, provided that the Company is, after the payment of dividends out of the contributed surplus, able to pay its liabilities as they become due; or the realisable value of the Company's assets would thereby not be less than the aggregate of its liabilities, issued share capital and reserves.

(iii) Share-based compensation reserve

The share-based compensation reserve represents the fair value of the actual or estimated number of unexercised Options and Awards granted to ESOS Participants and PSP Participants recognised in accordance with the accounting policy adopted for equity-settled share-based payments in Note 32.17 to the consolidated financial statements.

(iv) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 32.3 to the consolidated financial statements.

(v) Statutory reserve

In accordance with the relevant PRC regulations, the subsidiaries of the Group established in the PRC are required to transfer a certain percentage of the profit after tax, if any, to a statutory reserve. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory reserve may be used to offset the accumulated losses, if any, of the subsidiaries.

29 COMMITMENTS

(a) Capital commitments

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

	Group	
	As at 31 March	
	2026 HK$'000	2025 HK$'000
Acquisition of property, plant and equipment		
– contracted but not provided for	**10,708**	29,583

(b) Lease commitments

The future minimum lease payables under non-cancellable short-term or low-value leases not recognised at the end of each financial year are as follows:

	Group	
	As at 31 March	
	2026 HK$'000	2025 HK$'000
Buildings		
– within 1 year	**813**	698

NOTES TO THE FINANCIAL STATEMENTS

30 RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in these financial statements, the following is a summary of significant related party transactions entered into between the Group and its related parties and the balances arising from related party transactions in the ordinary course of business and negotiated on terms mutually agreed with these related parties.

(a) Transactions with related parties:

	Group	
	2026 **HK$'000**	**2025** **HK$'000**
Purchases of services from		
– Concord Building Co., Ltd (note (a) & (b))	**–**	1,150
Lease receipts from		
– Trio AI since it became an associate	**5,144**	–
Key management compensations		
– Salaries, wages, bonuses and allowances	**29,977**	31,043
– Retirement benefit scheme contributions and post-employment benefits	**72**	72
– Share-based compensation	**913**	761

notes:

(a) Beneficially owned by a brother and his wife of an executive director of the Company.

(b) In September 2019, the Group entered into the service agreement with Concord Building Co., Ltd to purchase project management consultancy services for the Vietnam campus.

(b) Balances with related parties:

	Group	
	As at 31 March	
	2026 **HK$'000**	**2025** **HK$'000**
Other payables and accruals		
– Concord Building Co., Ltd	**–**	106

31 SUBSEQUENT EVENT

On 25 June 2024, CAL and Trio AI entered into the Master Lease Agreement (the "Agreement"), pursuant to which CAL agreed to lease certain GPUs to Trio AI for a duration of 60 months.

Since Trio AI failed to pay the rent pursuant to the terms, an event of default has occurred on 1 June 2026. CAL has the rights and has demanded the immediate return of the GPUs and outstanding payment.

The Group intends to continue to reassess the future direction of Trio AI together with the rest of Trio AI's shareholders, taking into account its funding requirements and business prospects. The Group also intends to explore available options to recover value from the GPUs and related ancillary hardware which are deployed for rent to Trio AI and those which remain undeployed under the leasing agreement with Trio AI, including through disposal or redeployment for other commercial opportunities.

NOTES TO THE FINANCIAL STATEMENTS

32 SUMMARY OF MATERIAL ACCOUNTING POLICIES

32.1 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date when control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (c) below), after initially being recognized at cost.

(c) Equity method

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 32.6

(d) Changes in ownership interests

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable IFRS Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS

32 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

32.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director who makes strategic decisions.

32.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in the income statement, any exchange component of that gain or loss is recognised in the income statement.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

- all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

NOTES TO THE FINANCIAL STATEMENTS

32 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

32.4 Property, plant and equipment

Property, plant and equipment (except for construction-in-progress as outlined below) are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Construction-in-progress is stated at cost less accumulated impairment losses, if any. No provision for depreciation is made on construction-in-progress until such time as the relevant assets are completed and ready for intended use. When the assets concerned are brought to use, the costs are transferred out from construction-in-progress and depreciated in accordance with the policy as stated below.

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Land and buildings	20-50 years
Equipment and machinery	2-10 years
Computers	2-5 years
Furniture and fittings	5 years
Office equipment	5 years
Motor vehicles	3-6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 32.6).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other income and gains, net" in the income statement.

32.5 Intangible assets

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortized using the straight-line method over their estimated useful lives of about 5 years. Costs associated with maintaining software programs are recognized as expense as incurred.

32.6 Impairment of non-financial assets

Property, plant and equipment, right-of-use assets, non-current assets, investments in subsidiaries and investments in associate are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

32 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

32.7 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at financial assets at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in "Other income and gains, net" together with foreign exchange gains and losses.

NOTES TO THE FINANCIAL STATEMENTS

32 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

32.7 Financial assets (Continued)

(c) Measurement (Continued)

(i) Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other income and gains, net". Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other income and gains, net" and impairment expenses are presented as separate line item in the income statement.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the income statement and presented net within "Other income and gains, net" in the period in which it arises.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in the income statement as "Other income and gains, net" when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "investment income" within "Other income and gains, net" in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b)(ii) for further details.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

32.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

32 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

32.9 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(b)(ii) for a description of the Group's impairment policies.

32.10 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments with original short maturities.

32.11 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

32.12 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sales, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in equity.

32.13 Trade and other payables

Trade and other payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

32.14 Contract liabilities

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration that is due) from the customer.

NOTES TO THE FINANCIAL STATEMENTS

32 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

32.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(c) Offsetting

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

32 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

32.16 Employee benefits

(a) Retirement benefit schemes

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of these subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

(b) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plans. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceilings. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(d) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

32.17 Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (e.g. options) of the Group. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted, excluding the impact of non-market performance vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on non-market performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company uses treasury shares or issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

NOTES TO THE FINANCIAL STATEMENTS

32 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

32.18 Provision

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

32.19 Revenue recognition

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer.

(a) Sales of goods and materials

Revenue from the sales of manufactured goods and trading of raw materials are recognised at a point in time when control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

No significant element of financing is deemed present as the sales are made with the credit terms which are consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see Note 24.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

After signing contracts with customers and receiving orders, the Group recognises the amount of contract consideration received from the customers as contract liabilities before delivering products to customers.

(b) Services

Revenue from providing tooling services is recognised in the accounting period in which the services are rendered. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the services.

A fulfilment cost is the Group's right to consideration in exchange for goods or services which the Group has transferred to customers. Fulfilment costs incurred to obtain a contract, if recoverable, are capitalised and presented as fulfilment costs.

A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

NOTES TO THE FINANCIAL STATEMENTS

32 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

32.20 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the income statement as part of "Other income and gains, net".

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

32.21 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that termination option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS

32 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

32.21 Leases (Continued)

The Group may be exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

32.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

32.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. There are no unfulfilled conditions for government grants recognised during the current financial year.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

SHAREHOLDERS' INFORMATION

AS AT 17 JUNE 2026

Authorised share capital	:	HK$190,000,000
Issued and fully paid-up capital	:	HK$43,563,084
Number of shares issued (excluding Treasury Shares)	:	409,262,027
Number/Percentage of Treasury Shares	:	26,368,810 (6.44%)
Class of shares	:	Ordinary share of HK$0.10 each
Voting rights	:	One vote per share
Subsidiary holdings	:	Nil

STATISTICS OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 – 99	42	1.27	1,975	0.00
100 – 1,000	279	8.39	163,690	0.04
1,001 – 10,000	1,429	42.99	8,302,840	2.03
10,001 – 1,000,000	1,546	46.51	83,779,769	20.47
1,000,001 and above	28	0.84	317,013,753	77.46
	3,324	100.00	409,262,027	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Tse Chong Hing	75,990,411	18.57
2.	HSBC (Singapore) Nominees Pte Ltd	33,205,967	8.11
3.	Chow Kok Kit	32,000,361	7.82
4.	BPSS Nominees Singapore (Pte.) Ltd.	29,355,000	7.17
5.	Citibank Nominees Singapore Pte Ltd	25,120,275	6.14
6.	Raffles Nominees (Pte) Limited	20,325,861	4.97
7.	DBS Nominees Pte Ltd	18,472,557	4.51
8.	UOB Kay Hian Pte Ltd	17,368,288	4.24
9.	Phillip Securities Pte Ltd	8,751,551	2.14
10.	Hung Kai Wing	6,300,000	1.54
11.	ABN Amro Clearing Bank N.V.	5,952,810	1.46
12.	DBSN Services Pte Ltd	5,123,421	1.25
13.	OCBC Securities Private Ltd	5,054,280	1.24
14.	Maybank Securities Pte. Ltd.	4,312,610	1.05
15.	iFast Financial Pte Ltd	3,906,005	0.95
16.	Chow Kok Kee	2,968,300	0.73
17.	Oon Hwee Boon Hazel (Wen Huiwen Hazel)	2,800,000	0.68
18.	CGS International Securities Singapore Pte Ltd	2,782,691	0.68
19.	Ho Su Chin	2,780,310	0.68
20.	United Overseas Bank Nominees Pte Ltd	2,243,500	0.55
		304,814,198	74.48

SHAREHOLDERS' INFORMATION

AS AT 17 JUNE 2026

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tse Chong Hing	75,990,411	18.57	–	–	75,990,411	18.57
Chow Kok Kit	32,000,361	7.82	–	–	32,000,361	7.82
Amova Asset Management Asia Limited ("**Amova Asia**")(1)	–	–	29,314,900	7.16	29,314,900	7.16
Amova Asset Management International Limited ("**Amova International**")(2)	–	–	29,314,900	7.16	29,314,900	7.16
Amova Asset Management Co., Ltd. ("**Amova Co**.")(2)	–	–	29,314,900	7.16	29,314,900	7.16
Sumitomo Mitsui Trust Group, Inc ("**SMTG**")(2)	–	–	29,314,900	7.16	29,314,900	7.16

Notes:

(1) The interest of Amova Asia represents the aggregate number of ordinary shares held by portfolios over which Amova Asia exercises discretionary fund management authority.

(2) SMTG has a controlling interest in Amova Co who has a controlling interest in Amova International who in turn has a controlling interest in Amova Asia.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

73.61% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

ADDENDUM TO THE ANNUAL REPORT 2026

INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual, the following is the information relating to the Directors seeking re-appointment (as set out in Appendix 7.4.1 to the Listing Manual) –

Name of Person	Liu Chung Mun Wilson	Stephen Ho ChiMing
Date of Appointment	1 August 2022	21 July 2023
Date of last re-appointment (if applicable)	17 July 2023	22 July 2024
Age	66	66
Country of principal residence	Hong Kong, SAR	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Nominating Committee has recommended the nomination of Mr Liu for re-election to the Board. The Board had assessed Mr Liu's qualifications and experience against the Company's Board Diversity Policy and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board. The Board is of the view that Mr Liu is independent and had provided valuable contribution to the Board through his integrity, objectivity and professionalism. Accordingly, the Board approved the proposal for Mr Liu to be re-elected at the forthcoming AGM.	The Nominating Committee has recommended the nomination of Mr Ho for re-election to the Board. The Board had assessed Mr Ho's qualifications and experience against the Company's Board Diversity Policy and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board. The Board is of the view that Mr Ho is independent and had provided valuable contribution to the Board through his integrity, objectivity and professionalism. Accordingly, the Board approved the proposal for Mr Ho to be re-elected at the forthcoming AGM.
Whether appointment is executive, and if so, the area of responsibility	Independent Non-Executive Director	Independent Non-Executive Director
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of Audit Committee and Member of Nominating and Remuneration Committee.	Independent Director, Chairman of Nominating Committee and Member of Audit and Remuneration Committee.
Professional qualifications	Member of the Institute of Chartered Accountants Australia and New Zealand, and Fellow Member of CPA Australia and the Hong Kong Institute of Certified Public Accountants	(i) Master of Business Administration – Major in Finance from The Wharton School, University of Pennsylvania (ii) Master of Science, Civil Engineering from Massachusetts Institute of Technology (MIT) (iii) Bachelor of Science, Construction Engineering from Iowa State University

ADDENDUM TO THE ANNUAL REPORT 2026

Name of Person	Liu Chung Mun Wilson	Stephen Ho ChiMing
Working experience and occupation(s) during the past 10 years	Partner – PricewaterhouseCoopers, China/Hong Kong	June 2001 to December 2023: – DBS Bank Ltd., Institutional Banking Group, Taiwan • Senior advisor (July 2018 to December 2023) • Managing Director (March 2014 to June 2018) – DBS Asia Capital, Hong Kong • CEO/Managing Director (May 2011 to July 2013) – DBS Bank Ltd., Institutional Banking Group, Singapore • Managing Director (June 2001 to April 2011) • Telecom, Media and Technology (June 2001 to April 2011) • DBS Malaysia (January 2010 to April 2011) • DBS Middle East (January 2009 to December 2009) • Consumer Products (January 2007 to December 2008) Mr Ho was on sabbatical leave from August 2013 to February 2014.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Past (for the last 5 years	(1) Partner – PricewaterhouseCoopers, China/Hong Kong (2) Independent Non-Executive Director of Cloudbreak Pharma Inc.	Senior advisor to the Institutional Banking Group of DBS Bank Ltd., Taiwan

ADDENDUM TO THE ANNUAL REPORT 2026

Name of Person	Liu Chung Mun Wilson	Stephen Ho ChiMing
Present	Independent Non-Executive Director of (1) Foran Energy Group Co Ltd *(listed on Shenzhen Stock Exchange)* (2) Guotai Junan International Holdings Limited *(listed on the Hong Kong Stock Exchange)* (3) PGG Wrightson Limited *(listed on the New Zealand Stock Exchange)*	(1) Lead Independent Director of Azeus Systems Holdings Ltd *(listed on Singapore Stock Exchange)* (2) Lead Independent Director of CeEntek Pte. Ltd. (3) Independent Director of Asian Pay Television Trust
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was fi led against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDENDUM TO THE ANNUAL REPORT 2026

Name of Person	Liu Chung Mun Wilson	Stephen Ho ChiMing
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDENDUM TO THE ANNUAL REPORT 2026

Name of Person	Liu Chung Mun Wilson	Stephen Ho ChiMing
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive
Tse Chong Hing (Chairman and Managing Director)
Chow Kok Kit

Independent and Non-Executive
Liu Chung Mun Wilson (Lead Independent Director)
Stephen Ho ChiMing (Independent Director)
Liu Yuen Weai Sandy (Independent Director)

AUDIT COMMITTEE

Liu Chung Mun Wilson (Chairman)
Stephen Ho ChiMing
Liu Yuen Weai Sandy

NOMINATING COMMITTEE

Stephen Ho ChiMing (Chairman)
Liu Chung Mun Wilson
Liu Yuen Weai Sandy

REMUNERATION COMMITTEE

Liu Yuen Weai Sandy (Chairman)
Stephen Ho ChiMing
Liu Chung Mun Wilson

COMPANY SECRETARIES

Cheng Lisa
Yoo Loo Ping
Ocorian Services (Bermuda) Limited

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Bermuda

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31 Victoria Street
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Bermuda

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Singapore 068896

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PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
7 Straits View, Marina One East Tower Level 12,
Singapore 018936
Partner-in-charge: Yong Zen Yun

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