Valuetronics Holdings Limited
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Valuetronics achieves FY2025 net profit growth of 4.3% to HK$166.5m on improved revenue and gross profit margin

- *Proposes final dividend of 11.0 Hong Kong cents per share and final special dividend of 8.0 Hong Kong cents per share[1]; together with the interim and special interim dividend of total 8.0 Hong Kong cents per share, this brings total dividend for FY2025 to 27.0 Hong Kong cents per share.*

Financial Highlights (HK$ Million)	12 months ended 31 March		
	FY2025	**FY2024**	**Change (%)**
Total Revenue	**1,729.1**	1,669.9	3.5
- Consumer Electronics (“**CE**”)	**367.0**	417.9	(12.2)
- Industrial & Consumer Electronics (“**ICE**”)	**1,362.1**	1,252.0	8.8
Gross Profit	**293.7**	265.2	10.8
Gross Profit Margin (%)	**17.0**	15.9	1.1% pt
Net Profit	**166.5**	159.6	4.3
Earnings per share (HK cents)*	**41.6**	38.7	7.5

** Calculated based on weighted average number of ordinary shares in issue of 409,679,153 for the year ended 31 March 2025 (412,359,922 for the year ended 31 March 2024).*

SINGAPORE – 28 May 2025 – Leading integrated Electronics Manufacturing Services (“**EMS**”) provider Valuetronics Holdings Limited (鸿通电子控股有限公司) (“**Valuetronics**”, or together with its subsidiaries, the “**Group**”) has achieved a 4.3% year-on-year (“**yoy**”) increase in net profit to HK$166.5 million for the 12 months ended 31 March 2025 (“**FY2025**”). This was on the back of revenue growth of 3.5% to HK$1,729.1 million during the financial year under review.

The improved performance translated to earnings per share of 41.6 Hong Kong cents per share in FY2025 as compared to 38.7 Hong Kong cents per share in the preceding year (“**FY2024**”).

[1] Subject to shareholders’ approval at the upcoming Annual General Meeting.

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Segmental review and balance sheet

In FY2025, the Group's CE segment saw encouraging revenue contributions from a new entertainment-focused customer (the "**entertainment-focused CE customer**") supplying electronic products to a leading global entertainment conglomerate. However, overall revenue in the CE segment was dragged down by the continued decline in demand for traditional consumer lifestyle products and came in 12.2% lower yoy at HK$367.0 million.

The ICE segment benefited from strong revenue contributions from a Canadian-based network access solutions provider (the "**Canadian customer**"), which was a new customer acquired by the Group in FY2024, and achieved an 8.8% yoy increase in revenue to HK$1,362.1 million in FY2025, offsetting the softer performance of the CE segment.

The Group's shift in its sales mix to focus on higher margin products continued to pay off as gross profit rose 10.8% yoy to HK$293.7 million leading to a 1.1% basis point increase in gross profit margin to 17.0% in FY2025 as compared to 15.9% in FY2024.

Other income fell 10.1% yoy to HK$58.0 million in FY2025 mainly due to the fair value loss from financial assets and the decrease in interest income in tandem with the lowering of interest rates by the US Fed during the financial year.

The Group remained in a strong financial position with a healthy balance sheet and no bank borrowings. As at 31 March 2025, it had cash and cash equivalents of HK$1,093.8 million (as at 31 March 2024: HK$1,164.5 million). Net asset value improved to HK$3.6 per share from HK$3.4 per share over the same period[2].

Mr Ricky Tse Chong Hing (谢创兴), Chairman and Managing Director of Valuetronics said: *"Against a backdrop of persistent macroeconomic uncertainty, the Group delivered a commendable performance in FY2025. We attribute this to our strategic initiatives, including a decisive rebalancing of product portfolio toward higher-margin offerings, which have strengthened our competitive position and cushioned our earnings. But looking ahead, we expect ongoing volatility from the evolving tariff situation and its resulting impact on global markets."*

Dividend

The Board of Directors has recommended a final dividend of 11.0 Hong Kong cents per share and to share the interest income earned during the year, a special dividend of 8.0 Hong Kong cents per share has also been proposed. Together with the interim dividend and special dividend of total 8.0 Hong Kong cents that was paid in December 2024, it brings total dividend for FY2024 to 27.0 Hong Kong cents per share. This represents a dividend payout ratio of 65% of net profit in respect of FY2025.

[2] Net asset value calculated on the basis of 409,717,737 shares as at 31 March 2025 (409,405,337 shares as at 31 March 2024).

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Business Outlook

Post FY2025 year-end, the Group has been closely monitoring the trade environment following a series of announcements by the United States since 2 April 2025 regarding reciprocal tariffs on its trading partners, including China and Vietnam. While subsequent measures have led to a partial de-escalation, tariff levels have yet to return to those prior to 2 April 2025. The geopolitical climate remains fluid and uncertain, and the global economy appears to be entering a new era of elevated trade tariffs. These developments have triggered significant volatility in global markets, with rising concerns over supply chain disruptions and recessionary pressures.

Looking ahead, the integrated manufacturing platform in Vietnam, together with the core competencies developed in the Group's China operations, will collectively equip the Group to navigate an increasingly complex operating environment. Barring any unforeseen macroeconomic disruptions, the Group expects to remain profitable for the financial year ending 31 March 2026 ("**FY2026**").

In terms of segmental outlook, the Group is optimistic of the potential growth of the entertainment-focused CE customer as there is growing global adoption of immersive entertainment technologies in theme park applications. Conversely, business from a legacy customer in the traditional consumer lifestyle category has become structurally unattractive due to low margins and insufficient scale. The Group has commenced a phase-out of this customer's projects and anticipates further revenue contraction in CE segment from this phase-out.

Meanwhile for its ICE segment, the Group's Canadian customer operates under the United States-Mexico-Canada Agreement which is a relatively more predictable trade environment in relation to trade tariffs. In contrast, some of the Group's other ICE customers have adopted a cautious approach to inventory management and delayed new project launches as they await further clarity on the evolving trade policies announced by the US government.

To increase shareholders' value and improve the return on equity of the Group, a HK$250 million Share Buyback Program was announced on 28 February 2022. Since then, HK$107.1 million has been utilised to repurchase an aggregate of 34.1 million company shares. The Group intends to continue with the Share Buyback Program in FY2026.

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Cautionary Statement

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

About Valuetronics Holdings Limited

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

Valuetronics has two principal business segments, namely Consumer Electronics (“**CE**”) Products and Industrial and Commercial Electronics (“**ICE**”) Products. Together, the two segments serve a diversified customer base across multiple industries, with core competencies ranging from tool fabrication, injection moulding, metal stamping, machining, surface mount technology (“**SMT**”) and finished product assembly on full turnkey basis.

Aligned to its multi-location strategy, Valuetronics’ two manufacturing facilities are located in the manufacturing powerhouses of China and Vietnam. Its 110,000m^2 China Campus is located at Huizhou City, Guangdong Province and its 52,541m^2 Vietnam Campus is in Vinh Phuc Province. The close proximity to major customers puts the Group in an advantageous position to engage, understand and initiate value-added solutions to meet its customers’ ever-evolving needs and to proactively support them in achieving faster time-to-market, better quality control, and competitive total cost of ownership.

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

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