

## Valuetronics' 1H FY2025 net profit up 10.2% as focus on customer acquisition and high-margin products continues to pay off

Declares interim dividend of 4.0 Hong Kong cents per share and special interim dividend of 4.0 Hong Kong cents per share; bringing total dividend for 1H FY2025 to 8.0 Hong Kong cents per share.

Financial Highlights (HK\$ Million)	6 months ended 30 September		
	1H FY2025	1H FY2024	Change (%)
<b>Total Revenue</b>	<b>862.1</b>	891.3	(3.3)
- Consumer Electronics ("CE")	<b>193.4</b>	234.7	(17.6)
- Industrial & Consumer Electronics ("ICE")	<b>668.7</b>	656.6	1.8
<b>Gross Profit</b>	<b>144.8</b>	138.9	4.3
<b>Gross Profit Margin (%)</b>	<b>16.8</b>	15.6	1.2% pt
<b>Net Attributable Profit</b>	<b>90.5</b>	82.1	10.2
<b>Earnings per share (HK cents)*</b>	<b>22.1</b>	19.8	11.6

\* Calculated based on weighted average number of ordinary shares in issue of 409,599,009 for the six months ended 30 September 2024 (413,821,109 for the six months ended 30 September 2023).

**SINGAPORE – 13 November 2024** – 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 continued its earnings trajectory and achieved a 10.2% year-on-year ("yoy") increase in net attributable profit for the six months ended 30 September 2024 ("1H FY2025"). This was despite a slight 3.3% yoy dip in revenue to HK\$862.1 million during the period under review.

The improved profitability translated to earnings per share of 22.1 Hong Kong cents per share in 1H FY2025 as compared to 19.8 Hong Kong cents per share in the preceding year ("1H FY2024").

In 1H FY2025, the Group's ICE segment achieved yoy revenue growth of 1.8% to HK\$668.7 million. This was mainly due to encouraging contributions from a new customer involved in providing network access solutions that was acquired in the last financial year ("FY2024"), which offset weaker demand from some existing customers. Meanwhile, revenue contribution from the Group's CE segment reflected softening demand from end-markets and fell 17.6% yoy to HK\$193.4 million.

With a shift in sales mix, lower material costs due to the easing of component shortages and a reduction in labour costs due to a weaker Renminbi, the Group's gross profit margin rose to 16.8% in 1H FY2025 compared with 15.6% in the corresponding six months in 1H FY2024. This resulted in a 4.3% yoy increase in gross profit to HK\$144.8 million in 1H FY2025 from HK\$138.9 million in 1H FY2024.

The lifting of interest rate by the US Fed led to a 17.3% yoy increase in the Group's other income and gains to HK\$33.8 million, driven mainly by higher interest income.

Meanwhile, overall operating expenses and finance costs were higher in 1H FY2025 mainly due to an increase in administrative expenses in line with the Group's enlarged operations, including its Vietnam activities, and investments related to the business of Trio AI Limited ("**Trio AI**" or "**JV Co**"), which is the Group's 55%-owned joint venture that provides Graphics Processing Unit ("**GPU**") chips and other Artificial Intelligence ("**AI**") related value-added cloud services. This was partially offset by lower selling and distribution expenses due to changes in the customer portfolio mix.

Valuetronics remains on strong financial footing with a healthy balance sheet and no bank borrowings. As at 30 September 2024, cash and cash equivalents stood at HK\$1,174.5 million (as at 31 March 2024: HK\$1,164.5 million). Net asset value<sup>1</sup> improved to HK\$3.5 per share as at 30 September 2024 from HK\$3.4 per share as at 31 March 2024.

Commenting on the Group's 1H FY2025 performance, **Mr Ricky Tse Chong Hing (谢创兴), Chairman and Managing Director of Valuetronics said:** *"The Group achieved an increase in both gross profit margin and net profit for the period despite the dip in revenue. This improvement reflects the success of our strategic focus on new customer acquisition and the rebalancing our product portfolio toward higher-margin offerings. Notably, there was encouraging revenue contribution from our new Canada-based ICE customer that we acquired in FY2024. Together with other new customers acquired in the past two years, these revenue streams offset reduced demand from a CE customer that is focused on traditional consumer lifestyle products."*

### **Dividend**

The Board of Directors has declared an interim dividend of 4.0 Hong Kong cents per share and a special interim dividend of 4.0 Hong Kong cents per share. This brings total interim dividend for 1H FY2025 to 8.0 Hong Kong cents per share, representing a dividend payout ratio of 36% of net attributable profit in respect of 1H FY2025. The special dividend is an expression of the Group's appreciation for the continuous support from shareholders and to share the improved interest income earned during this interim period.

---

<sup>1</sup> Net asset value calculated on the basis of 409,854,237 shares as at 30 September 2024 and 409,405,337 shares as at 31 March 2024.

## **Business Outlook**

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

Looking ahead, Valuetronics will continue to explore new opportunities with existing clients while expanding its customer base. The Group believes its diversification strategy, including its integrated manufacturing solutions in Vietnam, will enhance its ability to respond to evolving demands and geopolitical uncertainties. Supported by these initiatives and barring unforeseen circumstances, the Group expects to remain profitable for the full fiscal year ending 31 March 2025 (“FY2025”).

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

As an update on Valuetronics’ HK\$250 million Share Buyback Program, which was announced on 28 February 2022, the Group has since utilised HK\$92.2 million to repurchase an aggregate of 30.0 million company shares. It intends to continue with the Share Buyback Program.

-- END --

## **Cautionary Statement**

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



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

### **About Valuetronics Holdings Limited**

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

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

Aligned to its multi-location strategy, Valuetronics’ two manufacturing facilities are located in the manufacturing powerhouses of China and Vietnam. Its 110,000m<sup>2</sup> China Campus is located at Huizhou City, Guangdong Province and its 52,541m<sup>2</sup> 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.

The Group was named Joint Winner of the Most Transparent Company Award (Technology Category) and the Singapore Corporate Governance Award (Small Cap Category) at the SIAS Investors’ Choice Awards in both 2023 and 2024.

For more information, visit [www.valuetronics.com.hk](http://www.valuetronics.com.hk).

---

### ***Issued by August Consulting on behalf of Valuetronics Holdings Limited***

Silvia Heng – Mobile: +65 9684 4500, Email: [silviaheng@august.com.sg](mailto:silviaheng@august.com.sg)

Wrisney Tan – Mobile: +65 9743 2667, Email: [wrisneytan@august.com.sg](mailto:wrisneytan@august.com.sg)

Victoria Lim – Mobile: +65 9641 2245, Email: [victorialim@august.com.sg](mailto:victorialim@august.com.sg)