

VALUETRONICS HOLDINGS LIMITED

(Incorporated in Bermuda)
(Co. Regn. No. 38813)

MINUTES OF ANNUAL GENERAL MEETING

PLACE	: Level 3, Venus Room II & III, Furama RiverFront, Singapore, 405 Havelock Road, Singapore 169633
DATE	: Monday, 22 July 2024
TIME	: 10:00 am
PRESENT	: As per Attendance List maintained by the Company.
IN ATTENDANCE/ BY INVITATION	: As per Attendance List maintained by the Company.
CHAIRMAN	: Mr Tse Chong Hing

QUORUM

As a quorum was present, the Chairman declared the meeting open after the Chief Financial Officer presented an overview of the Group's financial results for the financial year ended 31 March 2024.

INTRODUCTION

The Chairman introduced the Directors (namely, Mr Chow Kok Kit, Mr Liu Chung Mun Wilson, Mr Loo Cheng Guan and Mr Stephen Ho ChiMing), the Chief Financial Officer, Mr Lui Ka Ho Joseph and the Company's Auditor, Ms Yong Zen Yun from PricewaterhouseCoopers LLP present. The Company Secretaries and representatives from the Company's Share Transfer Agent and Scrutineer for the meeting were also present at the meeting.

The Chairman informed shareholders that Mr Loo Cheng Guan had notified the Company of his decision to retire as an Independent Director after the conclusion of this meeting, having fulfilled his 9 years tenure as an Independent Non-Executive Director of the Company. Following his retirement from the Company, he would cease to be the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee.

On behalf of the Board, the Chairman expressed his heartfelt gratitude and appreciation for Mr Loo's invaluable contributions and guidance during his tenure as Independent Non-Executive Director of the Company.

NOTICE

The Notice convening the meeting was agreed to be taken as read.

VOTING BY WAY OF POLL

Shareholders were informed that all motions tabled at the meeting will be voted on by way of poll pursuant to Bye-Law 73(A) of the Company's Bye-Laws. CACS Corporate Advisory Pte. Ltd. had been appointed as Scrutineer for the purpose of the poll.

The Chairman directed that the poll on each motion be taken after all the motions had been formally proposed and seconded and, shareholders' questions on the resolutions had been attended to by the Chairman.

QUESTIONS FROM SHAREHOLDERS PRIOR TO THE MEETING

Shareholders were informed that the Company had on 16 July 2024 published its responses to questions received from shareholders, in advance, by the prescribed cut-off time of 10:00 am on 12 July 2024, via SGXNet and on the Company's website.

The Chairman then proceeded with the ordinary business of the meeting.

ORDINARY BUSINESS:

REPORT OF DIRECTORS, AUDITED FINANCIAL STATEMENTS AND AUDITORS' REPORT – RESOLUTION 1

The Chairman proposed the following motion which was seconded by Ms Tew Jia Ern –

“That the Report of the Directors and the Audited Financial Statements of the Company for the financial year ended 31 March 2024 together with the Auditors' Report thereon be received and adopted.”

The Chairman invited questions from shareholders. Questions raised by shareholders and the Chairman's responses are set out in **Appendix 1**, attached to these Minutes.

FINAL & SPECIAL DIVIDENDS – RESOLUTION 2

The Directors had recommended the payment of a final dividend of HK9 cents per share and a special dividend of HK8 cents per share, tax not applicable, for the financial year ended 31 March 2024. If approved, the dividends would be paid on 23 August 2024.

The following motion was proposed by the Chairman and seconded by Ms Tew Jia Ern –

“That the payment of a final dividend of HK9 cents per share and a special dividend of HK8 cents per share, tax not applicable, for the financial year ended 31 March 2024 be approved.”

DIRECTORATE – RESOLUTION 3

Mr Stephen Ho ChiMing, who was retiring under Bye-Law 107(B) of the Company's Bye-Laws, had consented to continue in office. Mr Ho would, upon re-election, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. He is considered independent for the purposes of Rule 210(5)(d) and Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Chairman proposed –

“That Mr Stephen Ho ChiMing be re-elected a Director of the Company.”

The motion for Mr Ho's re-election was seconded by Ms Tew Jia Ern.

DIRECTORATE – RESOLUTION 4

The Chairman, Mr Tse Chong Hing, handed the chair to Mr Chow Kok Kit for the conduct of Resolution 4 on his own re-election as a Director of the Company.

Mr Tse Chong Hing, who was retiring by rotation under Bye-Law 104 of the Company's Bye-Laws, had consented to remain in office and would, upon re-election, remain as Managing Director and Chairman of the Board.

The following motion was proposed by Mr Chow Kok Kit and seconded by Mr Clive Lim C H –

“That Mr Tse Chong Hing be re-elected a Director of the Company.”

The chair was handed back to the Chairman, Mr Tse Chong Hing, after the motion for Mr Tse's re-election was proposed and seconded.

DIRECTORS' FEES – RESOLUTION 5

The Board had recommended the payment of up to S\$300,000 as Directors' fees for the financial year ending 31 March 2025, to be paid quarterly in arrears.

The Chairman proposed -

“That the payment of Directors' fees of up to S\$300,000 for the financial year ending 31 March 2025 be approved and be paid quarterly in arrears at the end of each calendar quarter.”

The motion was seconded by Ms Tew Jia Ern.

RE-APPOINTMENT OF AUDITORS – RESOLUTION 6

Shareholders were informed that the retiring auditors, PricewaterhouseCoopers LLP, had expressed their willingness to continue in office.

There being no other nomination, the Chairman proposed the following motion which was seconded by Ms Tew Jia Ern -

“That PricewaterhouseCoopers LLP be re-appointed the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and the Directors be authorised to fix their remuneration.”

ANY OTHER ORDINARY BUSINESS

As no notice of any other ordinary business has been received by the Secretary, the Chairman proceeded to deal with the special business of the meeting.

SPECIAL BUSINESS:

AUTHORITY TO ISSUE SHARES – RESOLUTION 7

The Chairman proposed the motion to approve Resolution 7 to empower the Directors to issue shares in the capital of the Company pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Chairman’s proposal for Resolution 7, the text of which was set out under item 7 in the Notice of this Meeting dated 3 July 2024, was seconded by Mr Ong Wai Meng.

The Chairman invited questions from shareholders. There being no questions from shareholders, the meeting proceeded to deal with Resolution 8.

AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE VALUETRONICS EMPLOYEES SHARE OPTION SCHEME AND THE VALUETRONICS PERFORMANCE SHARE PLAN – RESOLUTION 8

Shareholders were asked to approve an Ordinary Resolution to empower Directors to allot and issue shares in the capital of the Company pursuant to exercise of options under the Valuetronics Employees Share Option Scheme and vesting of awards under the Valuetronics Performance Share Plan.

The Chairman proposed and Ms Tew Jia Ern seconded the motion to approve Resolution 8, the text of which was set out under item 8 in the Notice of this Meeting dated 3 July 2024.

There were no questions on Resolution 8.

RENEWAL OF SHARE BUYBACK MANDATE – RESOLUTION 9

The last item on the Agenda was to seek shareholders' approval on the proposed renewal of the Share Buyback Mandate to enable the Company to purchase or otherwise acquire fully paid issued ordinary shares in the capital of the Company not exceeding in aggregate 10% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company.

Details of the proposed renewal of the Share Buyback Mandate including the rationale, source of funds and financial effects were set out in the Circular to Shareholders dated 3 July 2024.

The Chairman proposed the motion for renewal of the Share Buyback Mandate, the text of which was set out under item 9 in the Notice of this Meeting dated 3 July 2024. The motion was seconded by Mr Clive Lim C H.

The Chairman invited questions from shareholders. Question raised by a shareholder and the Chairman's response are set out in **Appendix 1**, attached to these Minutes. There being no further questions from shareholders, the meeting proceeded to deal with the formalities of conducting a poll on Resolutions 1 to 9.

POLLING

The Chairman demanded for a poll on all the motions which had been duly proposed and seconded at the meeting.

A representative of CACS Corporate Advisory Pte. Ltd., the Scrutineer appointed for the poll, briefed shareholders on completion of the poll voting slips.

The meeting was adjourned at 11:15 am for the Poll on the Resolutions to be counted and verified.

POLL RESULTS

The Scrutineer, CACS Corporate Advisory Pte. Ltd., had verified and certified the results of the Poll, a copy of which is attached to these Minutes as **Appendix 2**.

DECISION

The meeting resumed at 11:52 am for announcement of the Poll results.

Based on the results of votes validly cast by Poll, the Chairman declared all resolutions tabled at the meeting carried –

RESOLUTION 1

There were 148,848,120 (99.95%) votes in favour and 78,000 (0.05%) votes against the Resolution.

RESOLVED –

“That the Report of the Directors and the Audited Financial Statements of the Company for the financial year ended 31 March 2024 together with the Auditors’ Report thereon be received and adopted.”

RESOLUTION 2

There were 149,679,950 (99.95%) votes in favour and 78,000 (0.05%) votes against the Resolution.

RESOLVED –

“That the payment of a final dividend of HK9 cents per share and a special dividend of HK8 cents per share, tax not applicable, for the financial year ended 31 March 2024 be approved.”

RESOLUTION 3

There were 136,307,390 (91.06%) votes in favour and 13,378,950 (8.94%) votes against the Resolution.

RESOLVED –

“That Mr Stephen Ho ChiMing be re-elected a Director of the Company.”

RESOLUTION 4

There were 149,518,450 (99.89%) votes in favour and 168,000 (0.11%) votes against the Resolution.

RESOLVED –

“That Mr Tse Chong Hing be re-elected a Director of the Company.”

RESOLUTION 5

There were 149,571,850 (99.94%) votes in favour and 84,600 (0.06%) votes against the Resolution.

RESOLVED –

“That the payment of Directors’ fees of up to S\$300,000 for the financial year ending 31 March 2025 be approved and be paid quarterly in arrears at the end of each calendar quarter.”

RESOLUTION 6

There were 149,526,860 (99.85%) votes in favour and 230,980 (0.15%) votes against the Resolution.

RESOLVED –

“That PricewaterhouseCoopers LLP be re-appointed the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company and the Directors be authorised to fix their remuneration.”

RESOLUTION 7

There were 137,159,170 (91.62%) votes in favour and 12,538,670 (8.38%) votes against the Resolution.

RESOLVED –

“That pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors of the Company be authorised and empowered to:

- A. (i) issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise, and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- B. (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of convertible securities which were issued and outstanding or subsisting at the time of the passing of this Resolution;
 - (b) new shares arising from exercising share options or vesting of share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-Laws for the time being of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

RESOLUTION 8

There were 136,040,890 (90.88%) votes in favour and 13,645,450 (9.12%) votes against the Resolution.

RESOLVED –

“That authority be and is hereby given to the Directors of the Company to offer and grant options in accordance with the provisions of the Valuetronics Employees Share Option Scheme 2017 (the “**ESOS 2017**”) and/or to grant awards in accordance with the Valuetronics Performance Share Plan 2017 (the “**PSP 2017**”) and to allot and issue shares from time to time, such number of shares as may be required to be issued pursuant to exercise of options under the ESOS 2017 and/or the vesting of awards under the PSP 2017, provided always that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the ESOS 2017 and PSP 2017 shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting is required by law to be held, whichever is the earlier.”

RESOLUTION 9

There were 149,547,950 (99.94%) votes in favour and 84,000 (0.06%) votes against the Resolution.

RESOLVED –

“That –

- (1) for the purposes of the Companies Act of Bermuda and otherwise in accordance with the rules and regulations of the SGX-ST, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued shares in the capital of the Company not exceeding in aggregate the Prescribed Limit (as defined below) at such prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
 - (a) on-market purchases (each an “**On-Market Purchase**”) on the SGX-ST or any other stock exchange on which the shares may for the time being be listed and quoted (“**Other Exchange**”); and/or
 - (b) off-market purchases (each an “**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme or schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act of Bermuda,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Renewal of the Share Buyback Mandate**”);

- (2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Renewal of the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (a) the date on which the next Annual General Meeting of the Company is held; or
 - (b) the date by which the next Annual General Meeting of the Company is required by law to be held; or
 - (c) the date on which the purchases of shares by the Company have been carried out to the full extent mandated; and
- (3) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

In this Resolution:

“**Prescribed Limit**” means 10% of the issued shares in the capital of the Company as at the date of passing of this Resolution; and “**Maximum Price**”, in relation to the share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (a) in the case of an On-Market Purchase, 105% of the Average Closing Price (as defined below) of the shares; and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price (as defined below) of the shares; and

where:

“**Average Closing Price**” means (i) the average of the closing market prices of a share over the last five market days, on which transactions in the shares were recorded, preceding the date of the On-Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase; and (ii) deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchase is made;

“Day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“Market day” means a day on which the SGX-ST is open for trading in securities.”

CONCLUSION

There being no other business to transact, the Chairman declared the Annual General Meeting of the Company closed and thanked everyone for their attendance.

Confirmed as True Record of Proceedings held

[Signed]

Tse Chong Hing
Chairman

**VALUETRONICS HOLDINGS LIMITED
Annual General Meeting – 22 July 2024
Shareholders' Questions & Answers**

Questions from a Shareholder

Firstly, thank you for the good performance. I think the Company had made good efforts in diversifying its manufacturing base and adding customers.

Q1. Having read the Annual Report and questions from shareholders received and published by the Company prior to this meeting, I think one of the key concerns is, having come this far, whether the Company is able to increase its revenue and bottom line. Revenue comes from customers and in FY2024, the Company secured 2 new customers which seem good and quite diverse. Please elaborate on any other customers you are looking at.

Q2. The Company has set up the Vietnam plant, which is located close to its factory in China for better synergy. I understand that the utilization rate of Vietnam plant is 50%. What is your target on the utilization of the Vietnam plant? I would like to get a feel of revenue increase in the coming year and where they are coming from.

Chairman -

Revenue reflects the overall business environment and the Company's business development plan. The Company has a dedicated business development team stationed in the United States ("US"), which is the Company's major market. The Company has also engaged a team of business representatives to provide not only the business connection but also professional project management and local support. I believe this is a very cost-effective way in developing the Company's business. So far, the Company's main focus is in the US where there are many business enterprises serving global market.

When we talk about utilization, we refer to the production shop floor utilization. The Vietnam campus is designed to meet the production requirement in medium term, and the Vietnam campus' utilization during the transition period was around 50%. Based on business requirements, production line, machines would be gradually brought into the Vietnam campus filling in the remaining production shop floor of Vietnam campus.

Currently, the Company has customers that require and utilize facilities from both the China campus and Vietnam campus. Overall, the technology applications of the new customers are quite different from the Company's existing customers. Existing long-time customers require more basic technology applications and are more consumer oriented, whereas the new group of customers require more of the latest technology applications. It takes time for a new group of customers to mature and make meaningful contributions to the Company's revenue. I believe the new customers would gradually make meaningful contributions to the Company's revenue.

Some of the existing customers are facing erosion of market share due to market competition, which in turn has affected their business with the Company. As such, despite securing new customers, there was a net-off effect arising from this situation which had led to the decrease in the Company's revenue for the past 2 years.

Questions from a Shareholder

Q3. The Company has made a new investment for 55% interest in a joint venture - Trio AI Limited ("TrioAI") to provide GPUs (graphic processing units) and AI (artificial intelligence) related value-added cloud services in Hong Kong. TrioAI will utilise servers powered by high performance GPUs which aim to deliver computing capabilities tailored for AI model development and application.

What exactly do you intend to achieve through TrioAI and can Valuetronics contribute? Is it indirectly through TrioAI that you will get new customers, for example, customers of TrioAI will come to you to make some of the parts they require? Are you updating your capabilities to enter the AI industry and making products that cater to the AI industry's needs? Is the Company providing more than just support to TrioAI? I am trying to understand this new joint venture and how the Company would fit into this. Please share more on this.

Q4. Will the Company ramp up its CAPEX for the joint venture?

Chairman -

After the Company's announcement at the end of June 2024, one of the analysts covering Valuetronics published a report. The Company also received questions from shareholders relating to the new joint venture prior to this meeting and the Company provided the responses. I would like to take this opportunity to elaborate on some information about the new joint venture, which would have already been shared by the Company earlier.

Firstly, the Company will leverage on the knowledge and expertise of the joint venture partner, Sinnet Cloud HK Limited ("Sinnet Cloud"), which is a company incorporated in Hong Kong. Its parent, Sinnet Cloud Co. Ltd, has presence in China and provides similar GPU and AI related value-added cloud services in China. The major focus of the joint venture is to replicate similar business model in Hong Kong, which is part of China but in a very different business environment. Before entering the joint venture, the Group engaged professional business consulting firm to conduct research relating to the AI Data Center industry in Hong Kong and to review the business proposal for this joint venture. Taking all these including macro environment factors into account, we considered AI solutions and the power of supercomputing are getting more attention among businesses, be it established businesses or new start-ups, who intend to leverage AI on businesses.

On the other hand, the market still needs supplies of computing power. Hong Kong being part of China has a unique business environment where the access to very well-known global GPU brands is restricted. Even though Hong Kong has access to the lower-end version GPU offered by very well-known global brands, the supply is still very limited. The Company identified a China technology firm which is one of the top 3 GPU providers in China, and the Company managed to secure supply of high-performance GPUs from this China technology firm. With this resource, the Company decided to collaborate with Sinnet Cloud for a joint venture. The joint venture platform has to rely on hardware, i.e. GPU enabled servers. As such, the arrangement is that the Company, through an asset company, would acquire GPU enabled servers and lease them to the joint venture company, TrioAI. The asset company held by the Company would gain returns through leasing GPU enabled servers to TrioAI.

The initial investment by the Company is HK\$60 million. Besides acquisition of GPU-enabled servers, the initial CAPEX of HK\$60 million also covers acquisition of ancillary hardware.

As announced by the Company, an operating company and an asset company have been established. The operating company is TrioAI which is 55% owned by the Group. When the operating company is up and running, we believe the investment would need to increase to meet its business needs.

Questions from a Shareholder

- Q5.** The Company has been operating in Vietnam for more than a year now. Please share with us the operational experience in Vietnam in terms of government support and general business environment there, as compared to Huizhou, China.
- Q6.** Last year, the Company ramped up its operations in Vietnam. The Company's revenue has dropped. In view of the revenue decline, will the Company be retrenching staff from its China or Vietnam campus?
- Q7.** The US has been imposing tariff on Chinese products/imports and the US is an important market to the Company. How does the Company intend to overcome this situation?

Chairman -

I would like to share some challenges faced by the team. The Company's Vietnam campus, which is close to Hanoi, provides around 50,000 m² floor area. In general, I do not see challenges in the skillsets of local operators in Vietnam. However, my observation is that the local operators emphasized more on work life balance as compared with their counterpart in China.

The Group started its Vietnam operation in 2020 through leasing production floor from a business associate, until it found the suitable industrial park in Vietnam and constructed its own manufacturing campus there.

Over the years, we are able to recruit local technicians in Vietnam. However, we do need to bring in technicians and managers from China to train them.

The establishment of the Vietnam campus provides a dual site concept and facilities to the Group's customers. It takes time for the Vietnam campus to grow its manpower knowledge and skillset. The support from the China campus is very critical, including remote supports and on-site support by seconding engineers and managers from China to Vietnam to support the Vietnam campus.

There are many multinational corporations in the US seeking overseas manufacturing solutions, with many business development opportunities. Therefore, we still consider the US a major market for the Group.

As a company with China operations, the Group's business is affected by the US tariff. Therefore, the Group had made the move to establish the Vietnam campus as a solution and an option for our customers, which is a significant support to our customers to overcome the US China tension.

Questions from a Shareholder

- Q8.** The Group has onboarded a new Consumer Electronics (CE) customer which is in the global entertainment industry. May I know (i) what the product(s) is/are that the Group is providing to this customer and (ii) whether the product(s) is totally new, or the Company was replacing this customer's previous supplier.
- Q9.** Is the Group the exclusive supplier and whether the Group is supplying to the global or only Asia Pacific region.
- Q10.** I understand that the Company is scaling down its Consumer PCBA, and based on my knowledge, the customer is shifting to another supplier in Indonesia. I would like to know whether this was initiated by Valuetronics and what is the reason.
- Q11.** A lot of multinational corporations are moving to Indonesia. Do you see Indonesia as a market where you would eventually venture in to, or the existing Vietnam campus is sufficient?
- Q12.** In the industrial park where the Vietnam campus is situated, there are many Japanese companies. Any potential business opportunity or synergy with these Japanese companies? Will Valuetronics be able to supply to the Japanese companies there?

Chairman -

I am not able to share with you the details of our new customer given we are bound by the confidentiality obligations, but I can share that the product(s) produced by the Group is an upgrade of existing product(s) of the new CE customer. To my knowledge, Valuetronics is the first supplier for this upgraded version of the product(s).

The customer's shift to Indonesia happened a few years ago as a strategic move to overcome the US-China tariff. The phasing out of certain legacy products is a business strategy taking into consideration factors such as technology applications and returns.

We considered the combination of China and Vietnam campuses is sufficient for the Group's business needs now.

While products offered by Japanese companies within industrial park are very different from us, but we would keep in mind any potential business opportunities.

Questions from a Shareholder

- Q13.** As a follow-up question and just to clarify my understanding regarding the new joint venture in Hong Kong that the Group will not have any manufacturing opportunity in this joint venture.
- Q14.** There may be potential increase in the US tariff on Chinese products in the near future. At this stage, with the new Vietnam campus, are we still concerned by some of the products are made in China?
- Q15.** The Group has 2 manufacturing facilities. Do we have any issue in managing the capacities in China?

Chairman -

There is always opportunity. The Company would like to take a step-by-step approach. Like other technologies, AI applications also need hardware support. There may be opportunities to take up manufacturing works for AI applications in the future. We will look into this when the opportunity arises and work hard to explore that.

Customers that are staying with the China campus have different markets, US and non-US, and they have considered ways to mitigate the impact arising from the US tariff. With the setting up of the Vietnam campus, we have offered our customers an alternative option. Therefore, since the Vietnam campus came into operation, the Group has not lost any of the customers due to US tariff concerns.

If you refer to the production shop floor capacity, there is a surplus. If you refer to machinery capacity, we have optimized the utilization of machinery in both China and Vietnam campuses by transferring machinery from China to the Vietnam campus.

Questions from a Shareholder

Q16. What is the difference between the consumer and industrial product lines?

Q17. The CE segment has been facing challenges in the past few years. What are the plans going forward?

Q18. Any of the new customers fall under the CE segment?

Q19. Please also share with us on succession plan.

Chairman -

ICE and CE are the Company's classification of its business, based on the products' application. CE products are consumer products, while ICE products are provided to our customers who will then do some work before shipment to the end consumers, or for industrial applications.

In the past, for a long period of time, the CE segment was the main contributor to the Group's revenue. CE products include PCBA and LED light bulbs. With more new ICE customers came in our portfolio in recent years, the percentage contribution from CE has reduced significantly.

Yes, one of the new customers is under the CE segment.

With regard to your question about the succession plan, I presume you referred to the succession planning for the Executive Directors, i.e., Mr Chow Kok Kit and myself. We do have a team of successors. The Company has 9 corporate functions with their respective heads, each supported by a team of managers. This is one of the ways to identify and promote successors from the existing management team.

Questions from a Shareholder

- Q20.** Referred to 5-year revenue and past 3-year profits trend under Financial Highlights on page 4 of the Annual Report. Do you think the profits are sustainable? How are you going to bring the revenue up?
- Q21.** Did the Company take any cost-cutting measures? How actually did you improve profits despite falling revenue? Was it through cost cutting?
- Q22.** I noted that the profit margin has also improved despite the decrease in revenue. The Company has been quite generous in dividend distribution. The dividend payout ratio has increased from around 48% in FY2020 to 64% in FY2024. Is such dividend payout sustainable?

Chairman -

While profits have shown a positive upward trend, the Group's revenue has decreased and shown a downward trend. The team has been working very hard to bring in new customers to improve the Group's revenue. After new customers have come onboard, it would take some time for them to become a meaningful revenue contributor to the Group. We do have new customers with good growth potential.

For FY2024, the increase in interest income improved profitability. Cost control is one of our primary focuses. For manufacturers, controlling operating expenses is essential. As to how to sustain long-term profitability, efforts in introducing new customers would contribute positively to profitability.

The Company has adopted a formal dividend policy which aims to provide its shareholders with a target annual dividend payout of 30% to 50% of the net profit attributable to shareholders in any financial year. Special dividends declared/recommended for FY2024 are the major contributor to the 64% dividend payout for FY2024. For FY2024, the Group's interest income has increased substantially and therefore, the Board decided to share with shareholders through declaration/recommendation of special dividends.

Questions from a Shareholder

- Q23.** Regarding capital structure, I know the Company's business requires heavy cash to seize opportunities as and when needed, and the Company has nil debt.

If you utilize some of the cash on hand, the return on equity will increase due to more efficient use of capital. The Company needs to make more efficient use of its capital and should have some borrowings. Even though the Company is conservative in managing cash, it does not need to keep HK\$1 billion cash on hand, unless there are upcoming major acquisitions/projects.

Chairman -

Noted your points and thank you. One thing to assure you is that our interests are aligned.

Question from a Shareholder

Q24. In 2022, the Company had announced its share buyback program and the plan to use up to HK\$250 million in funds for buyback of the Company's shares. Please advise how much of the Company's funds had been utilized for share buy-backs and whether the Company intends to continue with the share buyback program.

Chairman -

Yes, the Company intends to continue with the share buyback program. To date, the Company had utilized about HK\$79 million for share buy-backs.



VALUETRONICS HOLDINGS LIMITED
(Incorporated in Bermuda with Limited Liability)
(Company Registration Number: 38813)

ANNUAL GENERAL MEETING
MONDAY, 22 JULY 2024 AT 10 AM

SCRUTINEERS' CERTIFICATE

To: The Chairman
VALUETRONICS HOLDINGS LIMITED

Dear Sirs

As Scrutineers appointed for the purpose of the Poll taken at the Annual General Meeting of **VALUETRONICS HOLDINGS LIMITED** held on Monday, 22nd day of July 2024, we hereby certify that the results of the Poll are correctly set out as follows:

Resolutions	For		Against		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ordinary Business						
1. Resolution 1 Directors' Report and Audited Financial Statements for the financial year ended 31 March 2024	148,848,120	99.95	78,000	0.05	148,926,120	100.00
2. Resolution 2 Payment of proposed final and special dividends	149,679,950	99.95	78,000	0.05	149,757,950	100.00
3. Resolution 3 Re-election of Stephen Ho ChiMing as a Director	136,307,390	91.06	13,378,950	8.94	149,686,340	100.00
4. Resolution 4 Re-election of Tse Chong Hing as a Director	149,518,450	99.89	168,000	0.11	149,686,450	100.00
5. Resolution 5 Approval of Directors' fees for the financial year ending 31 March 2025, to be paid quarterly in arrears	149,571,850	99.94	84,600	0.06	149,656,450	100.00
6. Resolution 6 Re-appointment of PricewaterhouseCoopers LLP as Auditors and to authorise the Directors to fix their remuneration	149,526,860	99.85	230,980	0.15	149,757,840	100.00



Resolutions	For		Against		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ordinary Business – cont'd						
7. Resolution 7 Authority to issue shares	137,159,170	91.62	12,538,670	8.38	149,697,840	100.00
8. Resolution 8 Authority to allot and issue shares under the Valuetronics Employees Share Option Scheme and the Valuetronics Performance Share Plan	136,040,890	90.88	13,645,450	9.12	149,686,340	100.00
9. Resolution 9 Renewal of Share Buyback Mandate	149,547,950	99.94	84,000	0.06	149,631,950	100.00

Yours faithfully

For and on behalf of
CACCS Corporate Advisory Pte. Ltd.




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Louis Lee
Scrutineer