

**VALUETRONICS HOLDINGS LIMITED**

(Incorporated in Bermuda)  
(Co. Reg. No: 38813)

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

**A. CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30  
SEPTEMBER 2022**

	Note	The Group		
		6 months ended 30 September		
		2022 (Unaudited)	2021 (Unaudited)	Change
		HK\$'000	HK\$'000	%
<b>Revenue</b>	6	1,051,545	1,014,522	3.6
Cost of sales		(920,318)	(870,906)	5.7
<b>Gross profit</b>		<b>131,227</b>	<b>143,616</b>	<b>-8.6</b>
Selling and distribution expenses		(12,058)	(11,719)	2.9
Administrative expenses		(66,677)	(75,283)	-11.4
Other income and gains, net		12,929	7,404	74.6
<b>Operating profit</b>		<b>65,421</b>	<b>64,018</b>	<b>2.2</b>
Finance costs		(250)	(293)	-14.7
<b>Profit before income tax</b>		<b>65,171</b>	<b>63,725</b>	<b>2.3</b>
Income tax expense	9	(7,315)	(7,091)	3.2
<b>Profit for the period</b>		<b>57,856</b>	<b>56,634</b>	<b>2.2</b>
<b>Attributable to:</b>				
Owners of the Company		57,856	56,634	2.2
<b>Earnings per share for profit attributable to owners of the Company for the period</b>				
		HK cents	HK cents	
- Basic	10	13.5	13.0	3.8
- Diluted	10	13.5	13.0	3.8

**B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

	The Group		
	6 months ended 30 September		
	2022 (Unaudited)	2021 (Unaudited)	Change
	HK\$'000	HK\$'000	%
<b>Profit for the period</b>	<b>57,856</b>	<b>56,634</b>	<b>2.2</b>
<b>Other comprehensive (loss) / income, net of tax:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Currency translation differences	(15,620)	4,735	NM
<b>Total comprehensive income for the period</b>	<b>42,236</b>	<b>61,369</b>	<b>-31.2</b>
<b>Attributable to:</b>			
Owners of the Company	42,236	61,369	-31.2

**Note:**

NM: Not meaningful

**C. CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022**

	Note	The Group		The Company	
		At 30.9.2022 (Unaudited)	At 31.3.2022 (Audited)	At 30.9.2022 (Unaudited)	At 31.3.2022 (Audited)
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	307,960	318,319	-	-
Right-of-use assets		44,067	47,451	-	-
Investment in subsidiaries		-	-	83,330	83,330
Financial assets at fair value	7	22,400	24,600	-	-
Others		14,253	19,105	-	-
<b>Total non-current assets</b>		<b>388,680</b>	<b>409,475</b>	<b>83,330</b>	<b>83,330</b>
<b>Current assets</b>					
Inventories		259,869	273,508	-	-
Trade receivables		439,654	430,681	-	-
Other receivables and prepayments		41,180	45,326	266	300
Due from subsidiaries		-	-	414,949	487,560
Cash and cash equivalents		979,311	936,665	9,261	212
<b>Total current assets</b>		<b>1,720,014</b>	<b>1,686,180</b>	<b>424,476</b>	<b>488,072</b>
<b>Total assets</b>		<b>2,108,694</b>	<b>2,095,655</b>	<b>507,806</b>	<b>571,402</b>
<b>EQUITY</b>					
Share capital	14	43,563	43,563	43,563	43,563
Treasury shares		(42,587)	(11,138)	(42,587)	(11,138)
Reserves		1,337,129	1,336,178	506,406	538,146
<b>Total equity</b>		<b>1,338,105</b>	<b>1,368,603</b>	<b>507,382</b>	<b>570,571</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Deferred income tax liabilities		2,974	2,974	-	-
<b>Total non-current liabilities</b>		<b>2,974</b>	<b>2,974</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade payables		315,237	262,733	-	-
Other payables and accruals		374,961	385,987	424	831
Contract liabilities		25,880	24,299	-	-
Current income tax liabilities		51,537	51,059	-	-
<b>Total current liabilities</b>		<b>767,615</b>	<b>724,078</b>	<b>424</b>	<b>831</b>
<b>Total liabilities</b>		<b>770,589</b>	<b>727,052</b>	<b>424</b>	<b>831</b>
<b>Total equity and liabilities</b>		<b>2,108,694</b>	<b>2,095,655</b>	<b>507,806</b>	<b>571,402</b>
<b>Net current assets</b>		<b>952,399</b>	<b>962,102</b>	<b>424,052</b>	<b>487,241</b>
<b>Total assets less current liabilities</b>		<b>1,341,079</b>	<b>1,371,577</b>	<b>507,382</b>	<b>570,571</b>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

(Unaudited)  The Group	Attributable to the owners of the Company								
	Reserves							Total reserves	Total equity
	Share capital	Treasury share	Share premium	Share-based payment reserve	Currency translation reserve	Statutory reserve	Retained earnings		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 April 2022	43,563	(11,138)	164,515	15,000	22,669	5,244	1,128,750	1,336,178	1,368,603
Total comprehensive income for the period	-	-	-	-	(15,620)	-	57,856	42,236	42,236
Dividends paid (note 11)	-	-	-	-	-	-	(42,669)	(42,669)	(42,669)
Purchase of treasury shares	-	(31,449)	-	-	-	-	-	-	(31,449)
Share-based compensation	-	-	-	1,384	-	-	-	1,384	1,384
Forfeiture of share option	-	-	-	(413)	-	-	413	-	-
Changes in equity for the period	-	(31,449)	-	971	(15,620)	-	15,600	951	(30,498)
<b>Balance at 30 September 2022</b>	<b>43,563</b>	<b>(42,587)</b>	<b>164,515</b>	<b>15,971</b>	<b>7,049</b>	<b>5,244</b>	<b>1,144,350</b>	<b>1,337,129</b>	<b>1,338,105</b>
Balance at 1 April 2021	43,563	(18)	164,515	12,254	19,746	5,244	1,101,789	1,303,548	1,347,093
Total comprehensive income for the period	-	-	-	-	4,735	-	56,634	61,369	61,369
Dividends paid (note 11)	-	-	-	-	-	-	(69,700)	(69,700)	(69,700)
Share-based compensation	-	-	-	1,988	-	-	-	1,988	1,988
Forfeiture of share option	-	-	-	(541)	-	-	541	-	-
Changes in equity for the period	-	-	-	1,447	4,735	-	(12,525)	(6,343)	(6,343)
<b>Balance at 30 September 2021</b>	<b>43,563</b>	<b>(18)</b>	<b>164,515</b>	<b>13,701</b>	<b>24,481</b>	<b>5,244</b>	<b>1,089,264</b>	<b>1,297,205</b>	<b>1,340,750</b>

**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022 (CONT'D)**

(Unaudited)  The Company	Reserves							
	Share capital	Treasury Share	Share premium	Share-based payment reserve	Contributed surplus	Retained earnings	Total reserves	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2022	43,563	(11,138)	164,515	15,000	67,239	291,392	538,146	570,571
Total comprehensive income for the period	-	-	-	-	-	9,545	9,545	9,545
Dividends paid (note 11)	-	-	-	-	-	(42,669)	(42,669)	(42,669)
Purchase of treasury shares	-	(31,449)	-	-	-	-	-	(31,449)
Share-based compensation	-	-	-	1,384	-	-	1,384	1,384
Forfeiture of share option	-	-	-	(413)	-	413	-	-
Changes in equity for the period	-	(31,449)	-	971	-	(32,711)	(31,740)	(63,189)
<b>Balance at 30 September 2022</b>	<b>43,563</b>	<b>(42,587)</b>	<b>164,515</b>	<b>15,971</b>	<b>67,239</b>	<b>258,681</b>	<b>506,406</b>	<b>507,382</b>
Balance at 1 April 2021	43,563	(18)	164,515	12,254	67,239	231,753	475,761	519,306
Total comprehensive income for the period	-	-	-	-	-	68,761	68,761	68,761
Dividends paid (note 11)	-	-	-	-	-	(69,700)	(69,700)	(69,700)
Share-based compensation	-	-	-	1,988	-	-	1,988	1,988
Forfeiture of share option	-	-	-	(541)	-	541	-	-
Changes in equity for the period	-	-	-	1,447	-	(398)	1,049	1,049
<b>Balance at 30 September 2021</b>	<b>43,563</b>	<b>(18)</b>	<b>164,515</b>	<b>13,701</b>	<b>67,239</b>	<b>231,355</b>	<b>476,810</b>	<b>520,355</b>

**E. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

	The Group	
	6 months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)
	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	65,171	63,725
Adjustments for :		
Amortisation of the right-of-use assets	1,084	1,246
Depreciation on property, plant and equipment	29,234	28,051
(Gain)/loss on disposals of property, plant and equipment	(380)	232
Share-based compensation	1,384	1,988
Interest income	(5,439)	(1,070)
	<b>91,054</b>	<b>94,172</b>
Changes in working capital:		
Inventories	13,639	(34,075)
Trade receivables	(8,973)	(41,098)
Other receivables and prepayments	(635)	(3,709)
Trade payables	52,504	(32,819)
Other payables and accruals and contract liabilities	(9,445)	(35,867)
<b>Net cash generated from / (used in) operations</b>	<b>138,144</b>	<b>(53,396)</b>
Income tax paid	(449)	(3,849)
<b>Net cash generated from / (used in) operating activities</b>	<b>137,695</b>	<b>(57,245)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(24,999)	(72,710)
Proceeds from disposals of property, plant and equipment	406	1,354
Proceeds from returns on financial assets at fair value	-	1,334
Interest received	5,439	1,070
<b>Net cash used in investing activities</b>	<b>(19,154)</b>	<b>(68,952)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(42,669)	(69,700)
Purchase of treasury shares	(31,449)	-
<b>Net cash used in financing activities</b>	<b>(74,118)</b>	<b>(69,700)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>44,423</b>	<b>(195,897)</b>
Effect of foreign exchange rate changes	(1,777)	3,132
<b>Cash and cash equivalents at beginning of the period</b>	<b>936,665</b>	<b>1,129,446</b>
<b>Cash and cash equivalents at end of the period</b>	<b>979,311</b>	<b>936,681</b>

## F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1 Corporate 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"). These condensed interim consolidated financial statements as at and for the six months ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the Group). The Group is a vertically integrated Electronics Manufacturing Services ("EMS") provider.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 16 to the annual financial statements for the year ended 31 March 2022.

These condensed interim consolidated financial statements have been presented in thousands of HK dollar ("HK\$") unless otherwise stated.

The condensed interim consolidated financial statements have not been audited or reviewed by the Company's auditors.

### 2 Basis of preparation

The condensed interim consolidated financial statements for the six months ended 30 September 2022 has been prepared in accordance with IAS 34, "Interim financial reporting". The condensed interim financial statements do not include all the information required for a complete set of financial statements. Accordingly, the condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2022, which have been prepared in accordance with the International Financial Reporting Standards ("IFRSs").

### 3 Accounting policies

In addition to those described below, the accounting policies applied are consistent with those of the annual financial statements for the financial year ended 31 March 2022, as described in those annual financial statements.

#### (a) Adoption of new and amended standards

The Group has adopted the following new/revised standards and amendments to standards which are mandatory for the financial year beginning on or after 1 April 2022:

Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRS 3	Reference to the Conceptual Framework
Annual Improvements 2018–2020 cycle	

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

## F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 3 Accounting policies (Continued)

#### (b) New standards and interpretations not yet effective

The following are new standards and 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 2022 or later periods, but have not been early adopted by the Group.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>(1)</sup>
Amendments to IAS 8	Definition of Accounting Estimates <sup>(1)</sup>
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>(1)</sup>
IFRS 17	Insurance Contracts <sup>(1)</sup>
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies <sup>(1)</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>(2)</sup>

<sup>(1)</sup> Effective for the accounting period beginning on or after 1 April 2023

<sup>(2)</sup> Effective date to be determined

### 4 Estimates

The preparation of condensed interim consolidated financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were mostly same as those that applied to the consolidated financial statements for the year ended 31 March 2022.

### 5 Financial Risk Management

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 condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2022.

There have been no significant changes in any risk management policies since the year ended 31 March 2022.

**F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**6 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 period the Group has two reportable segments as follows:

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

(Unaudited)	<b>Consumer Electronics</b> HK\$'000	<b>Industrial and Commercial Electronics</b> HK\$'000	<b>Total</b> HK\$'000
<b>For the six months ended 30 September 2022</b>			
Revenue (from external customers)	246,089	805,456	1,051,545
Timing of revenue recognition			
- at a point in time	246,089	803,373	1,049,462
- over time	-	2,083	2,083
Segment profit	16,216	112,370	128,586
 (Unaudited)			
<b>For the six months ended 30 September 2021</b>			
Revenue (from external customers)	319,388	695,134	1,014,522
Timing of revenue recognition			
- at a point in time	319,246	690,703	1,009,949
- over time	142	4,431	4,573
Segment profit	26,807	108,949	135,756

**F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**6 Revenue and segment information (Continued)**

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

Reconciliation of segment profit to profit for the period:

	For the six months ended 30 September	
	2022	2021
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Segment profit	128,586	135,756
Unallocated corporate expenses		
- staff costs	(56,472)	(62,635)
- income tax expense	(7,315)	(7,091)
- others	(6,943)	(9,396)
Profit for the period	<u>57,856</u>	<u>56,634</u>

Geographical information:

	Revenue		Non-current assets (other than financial instruments)	
	For the six months ended 30 September		As at 30 September 2022	As at 31 March 2022
	2022	2021	(Unaudited) HK\$'000	(Audited) HK\$'000
	(Unaudited) HK\$'000	(Unaudited) HK\$'000		
United States of America	440,529	356,677	-	-
People's Republic of China (the "PRC")	161,217	260,155	133,320	145,391
Poland	100,735	96,195	-	-
Hong Kong	97,878	70,306	14,830	15,573
Netherlands	60,784	62,044	-	-
Indonesia	60,249	28,228	-	-
Canada	41,127	17,562	-	-
South Korea	11,777	10,679	-	-
France	6,391	5,620	-	-
Germany	3,138	25,011	-	-
Vietnam	-	10,644	218,130	223,911
Other countries	67,720	71,401	-	-
Total	<u>1,051,545</u>	<u>1,014,522</u>	<u>366,280</u>	<u>384,875</u>

## F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

### 7 Fair value measurement of financial instruments

The table below analyses the Group's financial instruments carried at fair value as at 30 September 2022 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
<b>At 30 September 2022</b>				
<b>(Unaudited)</b>				
Financial assets at fair value through profit or loss("FVPL")	-	-	22,400	22,400
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At 31 March 2022 (Audited)</b>				
Financial assets at FVPL	-	-	24,600	24,600
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

There were no transfers between different levels during the six months ended 30 September 2022.

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.

### 8 Profit before taxation

The Group's profit before income tax is arrived at after (crediting)/charging:

	For the six months ended	
	2022	2021
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Income</b>		
Interest income	(5,439)	(1,070)
<b>Expenses</b>		
Depreciation on property, plant and equipment	29,234	28,051
Amortisation of right-of-use assets	1,084	1,246
Finance costs	250	293
<b>Other income and gains, net</b>		
(Gain)/loss on disposal of property, plant and equipment	(380)	232
Net exchange gains	(3,060)	(2,942)

**F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**9 Income tax expense**

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated income statement are:

	For the six months ended 30 September	
	2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Current tax charge		
- Hong Kong profits tax	6,700	5,444
- PRC enterprise income tax	615	1,647
Deferred tax credit	-	-
	<u>7,315</u>	<u>7,091</u>

**10 Earnings per share**

	For the six months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)
Earnings per ordinary share based on the net profit for the period (HK cents)		
- Based on weighted average number of ordinary shares on issue	13.5	13.0
- On a fully diluted basis	13.5	13.0
Number of ordinary shares in issue (excluding treasury shares)		
- Weighted average number of ordinary shares for the purpose of basic earnings per share	428,107,266	435,625,837
- Effect of potentially dilutive ordinary shares – Share options	115,218	365,574
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>428,222,484</u>	<u>435,991,411</u>

**F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**11 Dividends**

	For the six months ended	
	30 September	
	2022	2021
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Final dividend attributable to the previous financial year, paid of HK\$10.0 cents (for the six months ended 30 September 2021: HK\$16.0 cents) per ordinary share	42,669	69,700

**(a) Current Financial Period Reported On**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in HK cents)	HK 4 cents per ordinary share
Tax Rate	Not applicable

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in HK cents)	HK 4 cents per ordinary share
Tax Rate	Not applicable

**(c) Date payable**

The interim dividend will be paid on 2 December 2022.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 25 November 2022 for the preparation of dividend warrants.

Duly completed and registrable transfers received by the Company's Share Transfer Agent, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to the close of business at 5.00 p.m. on 24 November 2022 will be registered to determine shareholders' entitlements to the interim dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 24 November 2022 will be entitled to the interim dividend.

**(e) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision**

Not applicable.

**F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**12 Net asset value**

	The Group		The Company	
	As at 30 September 2022 (Unaudited) HK\$	As at 31 March 2022 (Audited) HK\$	As at 30 September 2022 (Unaudited) HK\$	As at 31 March 2022 (Audited) HK\$
Net asset value per ordinary share based on issued share capital excluding treasury shares at the end of the period	3.2	3.2	1.2	1.2
Number of ordinary shares in issue excluding treasury shares	420,397,937	431,914,737	420,397,937	431,914,737

**13 Property, plant and equipment**

During the six months ended 30 September 2022, the additions to property, plant and equipment of the Group was HK\$30,147,000 (corresponding period in 2021: HK\$51,844,000).

**14 Share capital**

There were no changes in the Company's issued share capital during the period 1 April 2022 to 30 September 2022. During the six months ended 30 September 2022, the Company had bought back an aggregate of 11,516,800 shares, which have been held as treasury shares.

As at 30 September 2022, the number of ordinary shares in issue was 435,630,837 of which 15,232,900 were held by the Company as treasury shares (equivalent to 3.62% of the total number of issued shares excluding treasury shares of 420,397,937). The share capital was HK\$43.6 million.

As at 31 March 2022, the number of ordinary shares in issue was 435,630,837 of which 3,716,100 were held by the Company as treasury shares (equivalent to 0.86% of the total number of issued shares excluding treasury shares of 431,914,737). The share capital was HK\$43.6 million.

As at 30 September 2021, the number of ordinary shares in issue was 435,630,837 of which 5,000 were held by the Company as treasury shares (equivalent to 0.001% of the total number of issued shares excluding treasury shares of 435,625,837). The share capital was HK\$43.6 million.

There was no subsidiary holding as at 30 September 2022, 31 March 2022 and 30 September 2021.

There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

**(a) Share options**

As at 30 September 2022, the Company has the following outstanding share options:

<u>Employee Share Option Scheme</u>	<u>Exercise Price</u>	<u>As at 31 March 2022</u> (Audited)	<u>Share options forfeited</u>	<u>As at 30 September 2022</u> (Unaudited)
Incentive Options (Note)	S\$0.268*	27,500	-	27,500
	S\$0.379*	132,000	-	132,000
	S\$0.701	2,895,000	(75,000)	2,820,000
	S\$0.530	2,245,000	(50,000)	2,195,000
	S\$0.570	3,095,000	(75,000)	3,020,000
	S\$0.460	2,400,000		2,400,000
	S\$0.530	1,890,000		1,890,000
Total		12,684,500	(200,000)	12,484,500

**F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**14 Share capital (Continued)**

**(a) Share options (Continued)**

As at 30 September 2021, the Company has the following outstanding share options:

<u>Employee Share Option Scheme</u>	<u>Exercise Price</u>	<u>As at 31 March 2021</u> (Audited)	<u>Share options forfeited</u>	<u>As at 30 September 2021</u> (Unaudited)
Incentive Options	S\$0.268*	27,500	-	27,500
(Note)	S\$0.379*	132,000	-	132,000
	S\$0.701	3,095,000	(200,000)	2,895,000
	S\$0.530	2,245,000	-	2,245,000
	S\$0.570	3,195,000	(100,000)	3,095,000
	S\$0.460	2,500,000	(100,000)	2,400,000
Total		11,194,500	(400,000)	10,794,500

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

**Note:**

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.

**(b) Performance share plan**

The Company has no outstanding performance shares as at 30 September 2022, 31 March 2022 and 30 September 2021.

**15 Capital commitments**

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

	<u>As at 30 September 2022</u> (Unaudited) HK\$'000	<u>As at 31 March 2022</u> (Audited) HK\$'000
Acquisition of property, plant and equipment - contracted but not provided for	7,190	23,644

**16 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.

**F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**16 Related party transactions (Continued)**

**(a) Transactions with related parties:**

	The Group	
	For the six months ended 30 September	
	2022	2021
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Purchases of goods from		
- Nicecon Limited (note)	-	1,989
Purchases of services from		
- Concord Building Co., Ltd (note)	160	726

**(b) Balances with related parties:**

	The Group	
	As at 30 September 2022	As at 31 March 2022
	(Unaudited) HK\$'000	(Audited) HK\$'000
Trade payables		
- Nicecon Limited (note)	-	86
Other payables and accruals		
- Concord Building Co., Ltd (note)	-	242

Note: beneficially owned by brothers of executive directors of the Company.

**17 Aggregate amount of group's borrowings and debt securities**

**(a) Amount repayable in one year or less, or on demand**

<u>As at 30 September 2022</u>		<u>As at 31 March 2022</u>	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nil	Nil	Nil	Nil

**(b) Amount repayable after one year**

<u>As at 30 September 2022</u>		<u>As at 31 March 2022</u>	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nil	Nil	Nil	Nil

**(c) Details of any collateral**

None.

**18 Subsequent event**

There is no known subsequent event which has led to adjustment on this set of condensed interim consolidated financial statements.

## G. OTHER INFORMATION

- 1 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Valuetronics is an Electronic Manufacturing Service ("EMS") provider, which focuses on the design and development of products that meet the ever-changing customers' needs. We are the preferred choice of some successful global companies involved in consumer electronics as well as industrial and commercial electronics products, with core competencies ranging from tool fabrication, injection moulding, metal stamping, machining, surface mount technology ("SMT") and finished product assembly on full turnkey basis.

The Group classified its EMS business into 2 reportable segments, namely consumer electronics products ("Consumer Electronics" or "CE") and industrial and commercial electronics products ("Industrial and Commercial Electronics" or "ICE").

### **Review – 6 months ended 30 September 2022 ("1H FY2023") vs 6 months ended 30 September 2021 ("1H FY2022")**

#### **Revenue**

Revenue increased by 3.6% or HK\$37.0 million from HK\$1,014.5 million in 1H FY2022 to HK\$1,051.5 million in 1H FY2023.

Industrial and Commercial Electronics revenue increased by 15.9% to HK\$805.5 million (1H FY2022: HK\$695.1 million). Such increase was mainly contributed by the increase in demand from some of our Industrial and Commercial Electronics customers.

Consumer Electronics revenue decreased by 23.0% to HK\$246.0 million (1H FY2022: HK\$319.4 million), which was mainly due to the softening demand in end-markets.

#### **Gross profit and gross profit margin**

Gross profit decreased by 8.6% to HK\$131.2 million (1H FY2022: HK\$143.6 million) while gross profit margin decreased to 12.5% (1H FY2022: 14.2%). The gross profit margin was eroded by higher component prices due to tight supply; the lockdown in major cities in China caused disruption in the supply chain and impacted the productivity.

#### **Other income and gains, net**

Other income increased by 74.6% to HK\$12.9 million (1H FY2022: HK\$7.4 million), which was mainly due to the increase in interest income as US Fed lifted interest rate several time during the period.

#### **Selling and distribution expenses**

Selling and distribution expenses increased slightly by 2.9% to HK\$12.1 million (1H FY2022: HK\$11.7 million), which was in line with the increase in revenue.

#### **Administrative expenses**

Administrative expenses decreased by 11.4% to HK\$66.7 million (1H FY2022: HK\$75.3 million), which was mainly due to stringent cost control measures put in place by Management and Renminbi depreciation.

## G. OTHER INFORMATION (CONT'D)

### Profit for the period

As a result of the above, the net profit for the period increased by 2.2% to HK\$57.9 million (1H FY2022: HK\$56.6 million).

### Financial position and cash flows

As at 30 September 2022, the Group had net current assets of HK\$952.4 million (31 March 2022: HK\$962.1 million), total assets of HK\$2,108.7 million (31 March 2022: HK\$2,095.7 million) and shareholders' funds of HK\$1,338.1 million (31 March 2022: HK\$1,368.6 million).

The Group's trade receivables increased by HK\$9.0 million from HK\$430.7 million as at 31 March 2022 to HK\$439.7 million as at 30 September 2022. The Group's trade payables increased by HK\$52.5 million from HK\$262.7 million as at 31 March 2022 to HK\$315.2 million as at 30 September 2022. The Group's inventories decreased by HK\$13.6 million from HK\$273.5 million as at 31 March 2022 to HK\$259.9 million as at 30 September 2022.

The working capital of the Group as at 30 September 2022, which is the sum of trade receivables and inventories less trade payables, was HK\$384.4 million (31 March 2022: HK\$441.5 million). The decrease in net working capital, reflecting the movement in trade receivables, inventories and trade payables, was mainly due to better working capital management.

The Group had no bank borrowings as at 30 September 2022 (31 March 2022: Nil).

As at 30 September 2022, the Group had cash and cash equivalents of HK\$979.3 million (31 March 2022: HK\$936.7 million). Over 98% of its cash and cash equivalents were placed in reputable financial institutions in Hong Kong and Singapore. For the remaining balance, mainly in PRC and Vietnam, the cash and cash equivalents were placed in equivalent reputable financial institutions. The cash and cash equivalents are annually audited by the Group's auditors, PricewaterhouseCoopers.

### **2 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable. No forecast or prospect statement was previously disclosed to shareholders.

### **3 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable as the Group's latest audited financial statements for the financial year ended 31 March 2022 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

## G. OTHER INFORMATION (CONT'D)

### 4 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

Valuetronics delivered a set of stable results in the first half of the financial year ended 31 March 2023 ("1H FY2023") as the Group was better able to navigate the challenges presented by the global components shortage issue by identifying new sources of supply; and working with customers in re-engineering products, and using alternative parts.

On the other hand, macro factors like the Russia-Ukraine conflict, rising geopolitical tensions, and latest US Fed aggressive interest rate hikes to tame inflation, are shaking business confidence and eroding consumer purchasing power, leading to a weakening demand forecast from some of the Group's customers. The Group has been working closely with those affected customers to mitigate risks associated with this headwind.

With the relaxation of travel restrictions and the resumption of global travel, the Group has been receiving enquires, and hosting visits for potential customers to demonstrate the Group's EMS capability in Vietnam. The Group is confident that some of these leads will convert into new business in the financial year ending 31 March 2024 ("FY2024").

Following the completion of customers' qualification and shipment of mass production from Vietnam campus in the fourth quarter of financial year ended 31 March 2022 ("FY2022"), the Group has completed the consolidation of its various Vietnam facilities into one campus site since June 2022 to achieve greater economies of scale and operational efficiency.

Apart from investing in EMS capability, Valuetronics endeavors to build a sustainable future. During the period, the Group has invested approximately HK\$12 million for a solar power system in the China campus. Since the operation of solar system in July 2022, approximately 20% of the electricity used in the China campus came from this renewable source. This not only led to a saving of 753 tonnes of carbon dioxide up to October 2022, but also established an alternative source of power to deal with the potential power shortages in China, should it arise during the reopening of China's economy.

As uncertainty factors such as supply chain disruptions, geopolitical tensions and a weakening in consumer consumption are unlikely to be resolved soon, the Group anticipates potential headwinds ahead. Barring unforeseen circumstances, the Company remains optimistic to be profitable for FY2023, given its strong fundamentals in terms of its manufacturing experience and capabilities in different countries, strong cash flows, and a robust balance sheet that is without debt.

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 the announcement date, HK\$48 million has been utilised to repurchase an aggregate of 16 million company shares. The Group intends to continue with the Share Buyback Program.

### 5 **If the Group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST"). If not IPT mandate has been obtained, a statement to that effect.**

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

### 6 **Confirmation by the Company Pursuant to Rule 720(1) of the Listing Manual of SGX-ST**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the Listing Rules of the SGX-ST.

**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL OF SGX-ST**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim consolidated financial statements for the half year ended 30 September 2022 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of  
Valuetronics Holdings Limited

**Tse Chong Hing**  
*Chairman and Managing Director*  
11 November 2022

**Chow Kok Kit**  
*Executive Director*