



HY2025 Results Briefing

Note: This presentation is to be read in conjunction with the announcement issued on SGXNET on 13 Nov 2024

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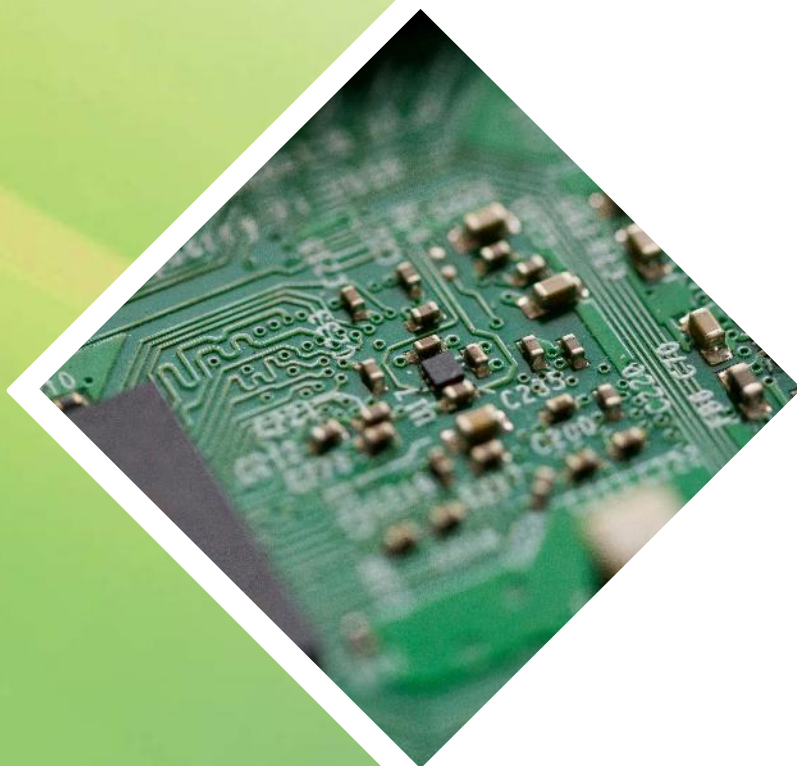
About Us

Corporate Information

- Established in 1992 in Hong Kong
- An integrated Electronics Manufacturing Services (EMS) provider
- Listed on SGX Mainboard on 28 March 2007
- Auditors: PricewaterhouseCoopers
- Employees: ~3,000 globally (30 September 2024)
- Two facilities: ShenZhen, China + Hanoi, Vietnam

Accreditations

- ISO9001:2015
- ISO14001:2015
- TL9000:2016(H) R6.3/5.7
- IATF16949: 2016
- IPC J STD-001/ IPC-A-610 QML Class 3
- ANSI/ESD S20.20 - 2021



Bloomberg Code

Reuters Code

Stock Code

Index

Issued shares (M)

Mkt cap* (S\$M)

Share price* (S\$)

52 wk range* (S\$)

VALUE.SP

VLUE.SI

BN2

**FTSE ST Small Cap,
FTSE Global MicroCap**

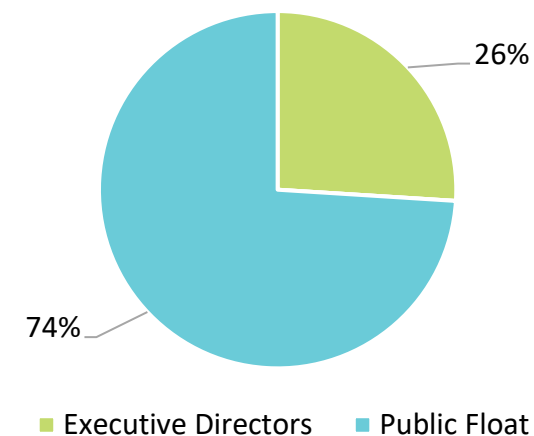
435.6

276.6

0.635

0.655 - 0.460

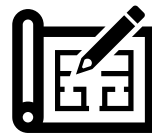
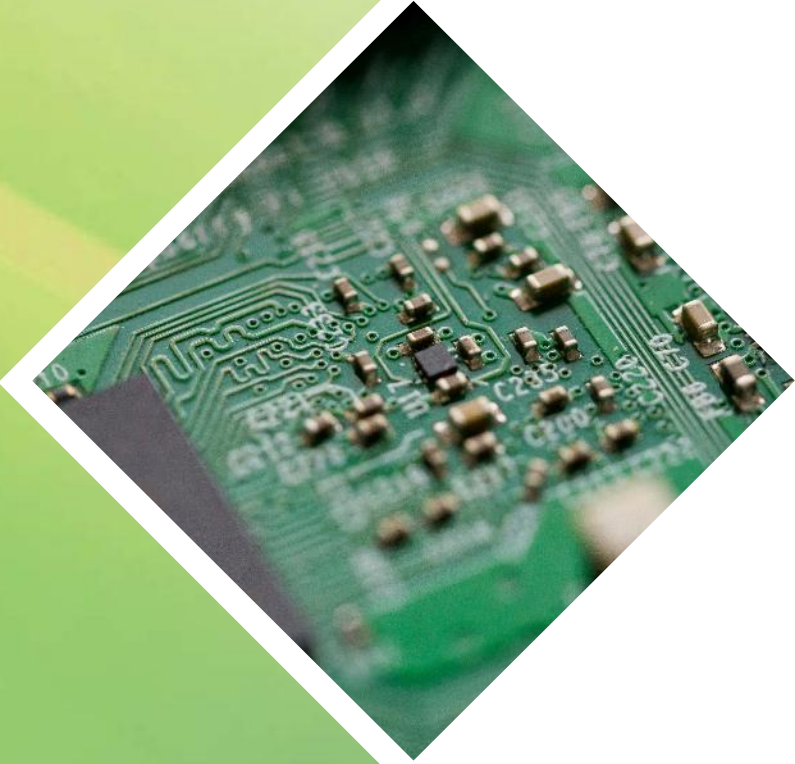
Shareholding



* 12 Nov 2024, SGX

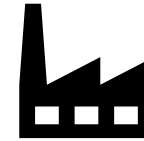
Business Overview

Valuetronics is a one-stop, integrated EMS provider that offers a full range of services to its customers

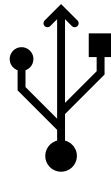


Design and development

covers engineering design and development, product design and deployment, and tool design and tool fabrication



Manufacturing with integrated manufacturing sites in China and Vietnam

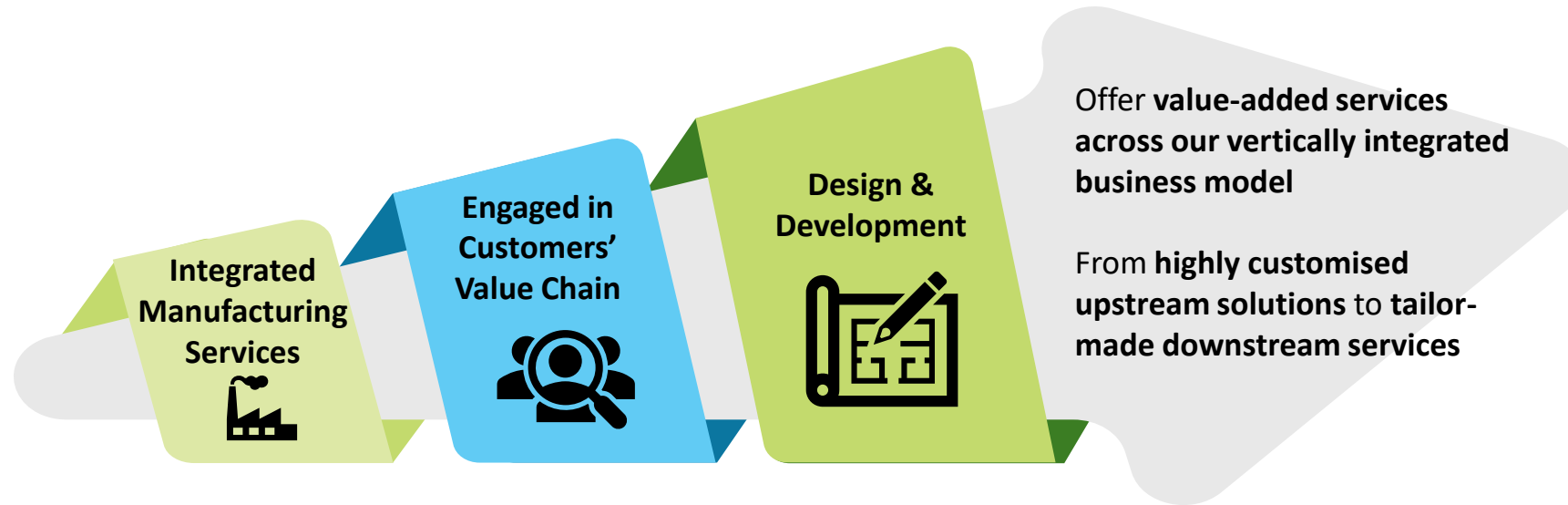


Assembly covers plastic injection moulding, metal stamping and machining, and printed circuit board assembly and box build assembly



Supply chain support provides full turn-key manufacturing services covering procurement of raw materials, manufacture and deliver products to customer's designated locations

A Premier Design and Manufacturing Partner



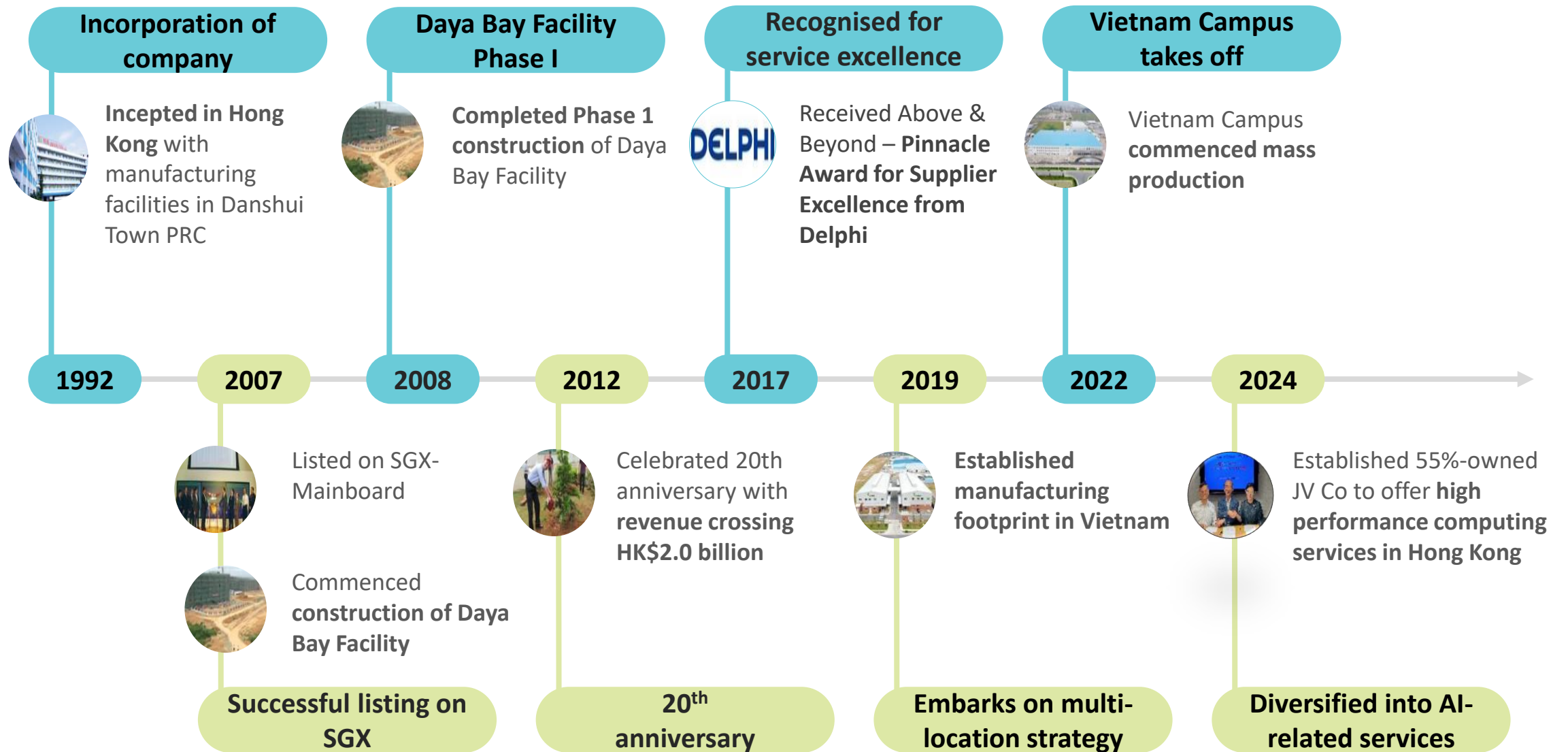
————— **Proactive deployment of Design & Development capabilities** —————>

- Integrated Manufacturing Services**
- SMT
 - Auto insertion and selective soldering
 - Wire bonding
 - FG assembly
 - CNC machining
 - Injection molding
 - Tool design & fabrication

- Engaged in Customers' Value Chain**
- Design for manufacturing
 - Design and build test fixtures
 - Rapid prototyping
 - Regulatory compliances
 - Supply chain management services

- Design & Development**
- Mechanical and electrical engineering design from concept to mass production
 - Better manufacturability with enhanced features & lower cost
 - Software development
 - Testing development
 - Industrial design

Key Milestones



Multinational Footprint



China Campus

- Land use rights acquired in 2006
- Total site area > 110,000 sq m



Vietnam Campus

- Land use rights acquired in 2019
- Total site area > 52,000 sq m



Printers

Nasdaq-listed Company

(Transaction Printer for Slot, POS & Teller Station Machines)



Global Brand owned by NYSE-listed MNC

(Thermal Label Printer for Industrial & Commercial Use)



Sensing Devices

Unit of a NYSE-listed MNC

(Cold Chain Temperature Monitor for Industrial & Commercial Use)



Automotive Parts

Tier 1 Automotive System Manufacturer

(Data and media connectivity module)



Industrial & Commercial Electronics

Communication Products

United States-based Company



Taiwan-listed Company



Network & HPC Products

United States & Canada-based Company
(Cooling solutions for HPC environment)



Network Access Solutions Provider
based in Canada



Industrial & Commercial Applications

Startup Owned by PE Fund
(Hardware provider for retail chain stores)



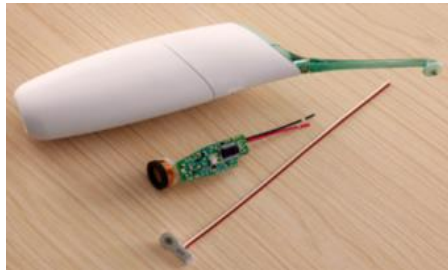
NYSE-listed United States Company
(Residential and Commercial Water Solutions)



Consumer Lifestyle Products

Consumer Lifestyle Division of a Dutch MNC

(PCBA for Shavers & Electric Toothbrushes
for Consumer Use)



Smart Lighting with IOT Features

World leader in lighting for professionals and consumers and lighting for IOT

(Wireless lighting contain various LED specially
chosen to produce wide range of intensities and over
16 million colours;
Wirelessly controlled by mobile application)



Immersive Entertainment Products

Leading Global Entertainment Conglomerate





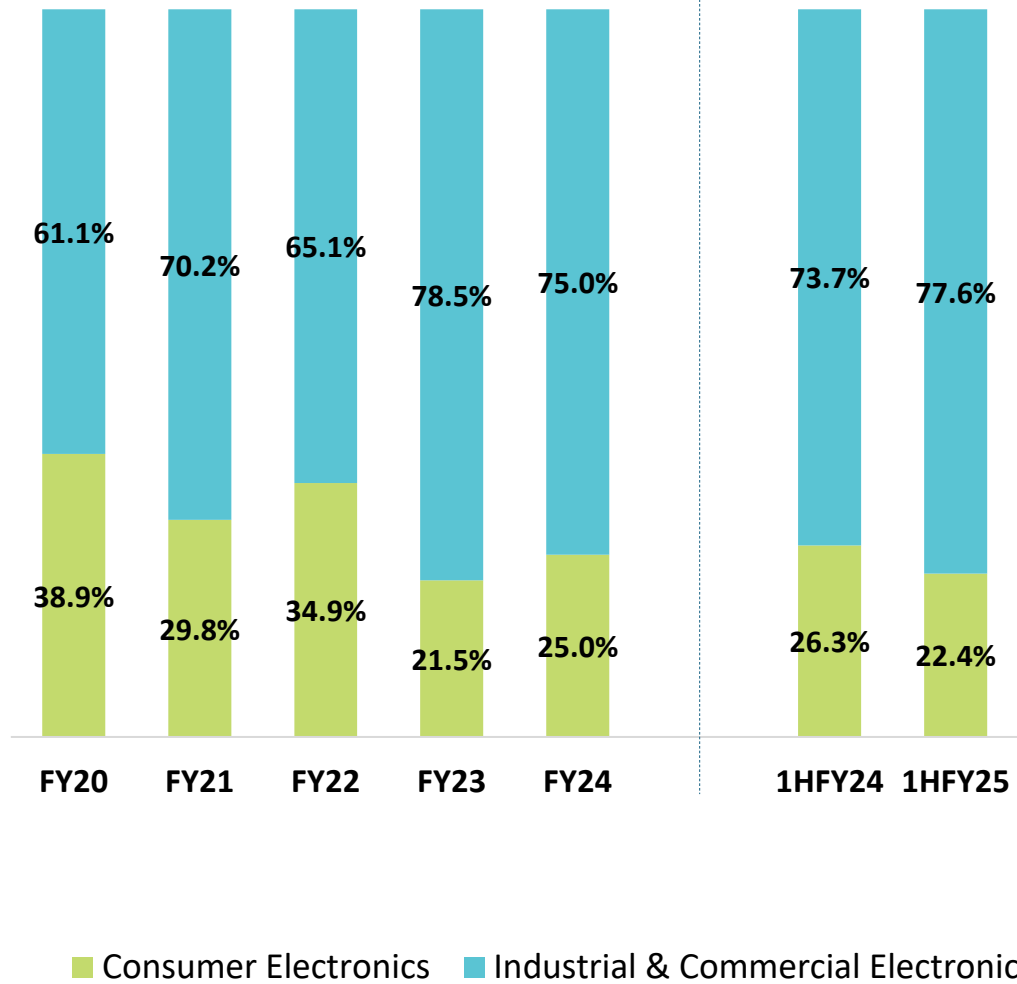
**1H FY2025
Financial Highlights**

1H FY2025 Financial Highlights

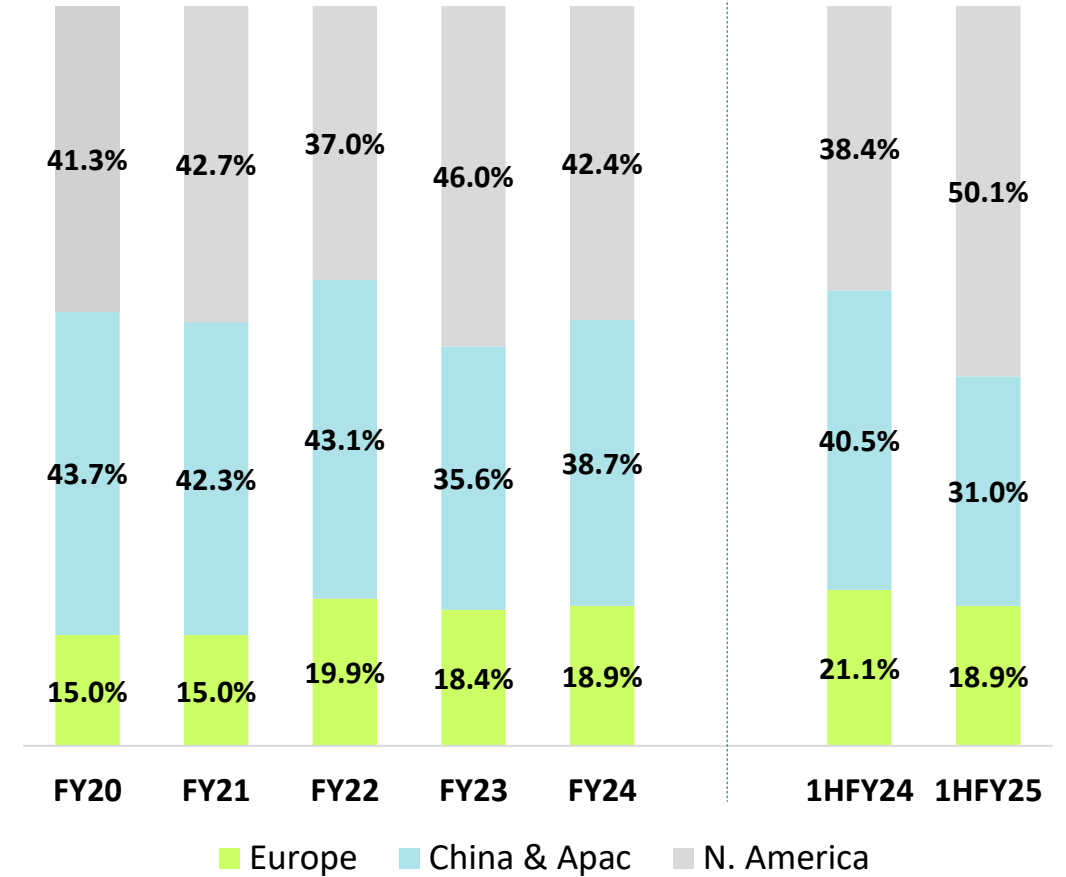
HK\$'M	1HFY2025	1HFY2024	% Change
Revenue	862.1	891.3	(3.3)
Gross Profit	144.8	138.9	4.3
Gross Profit Margin	16.8%	15.6%	1.2% pt
Net Attributable Profit	90.5	82.1	10.2
Net Profit Margin	10.5%	9.2%	1.3% pt

Revenue Contribution

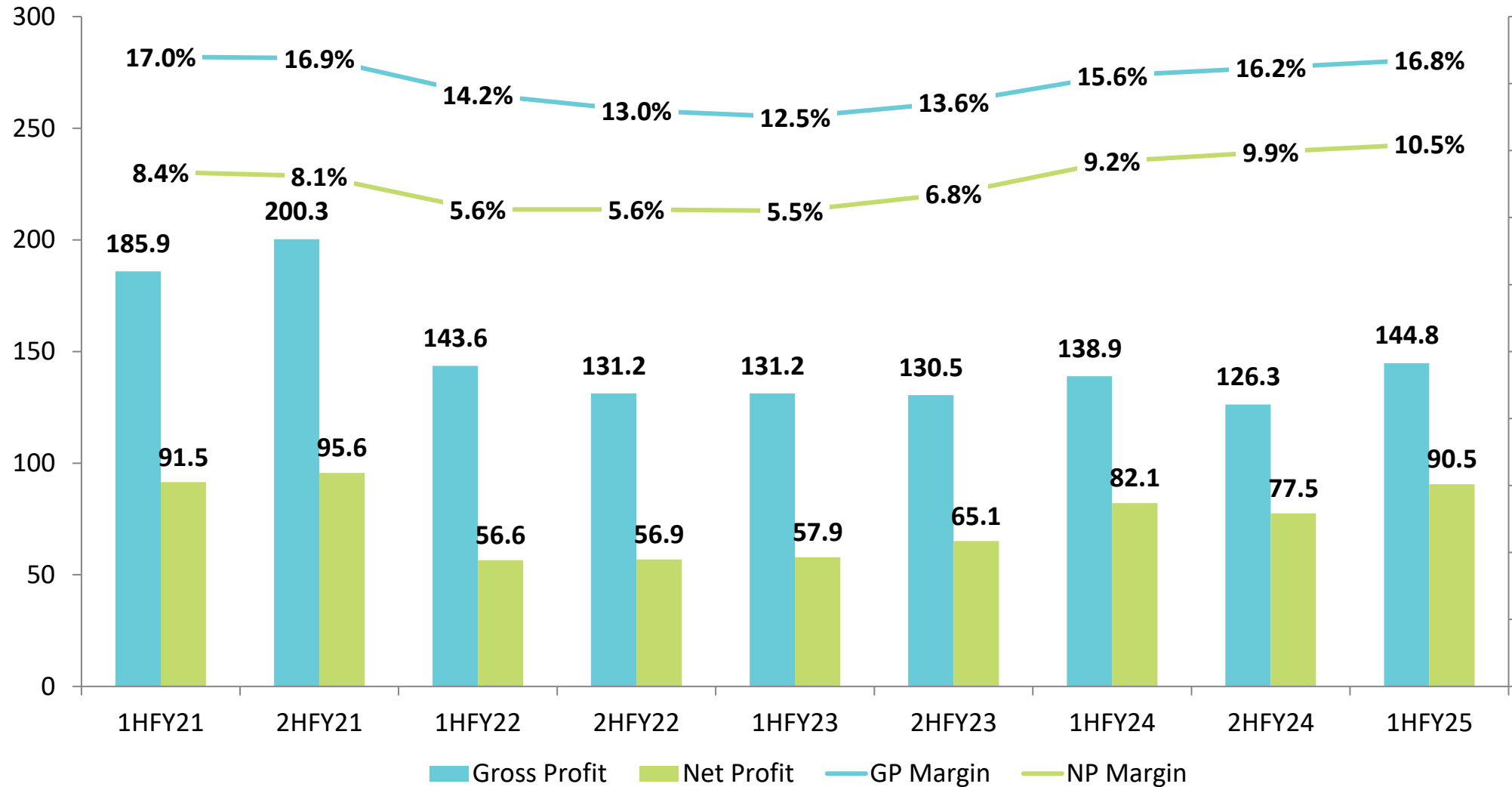
By Segment



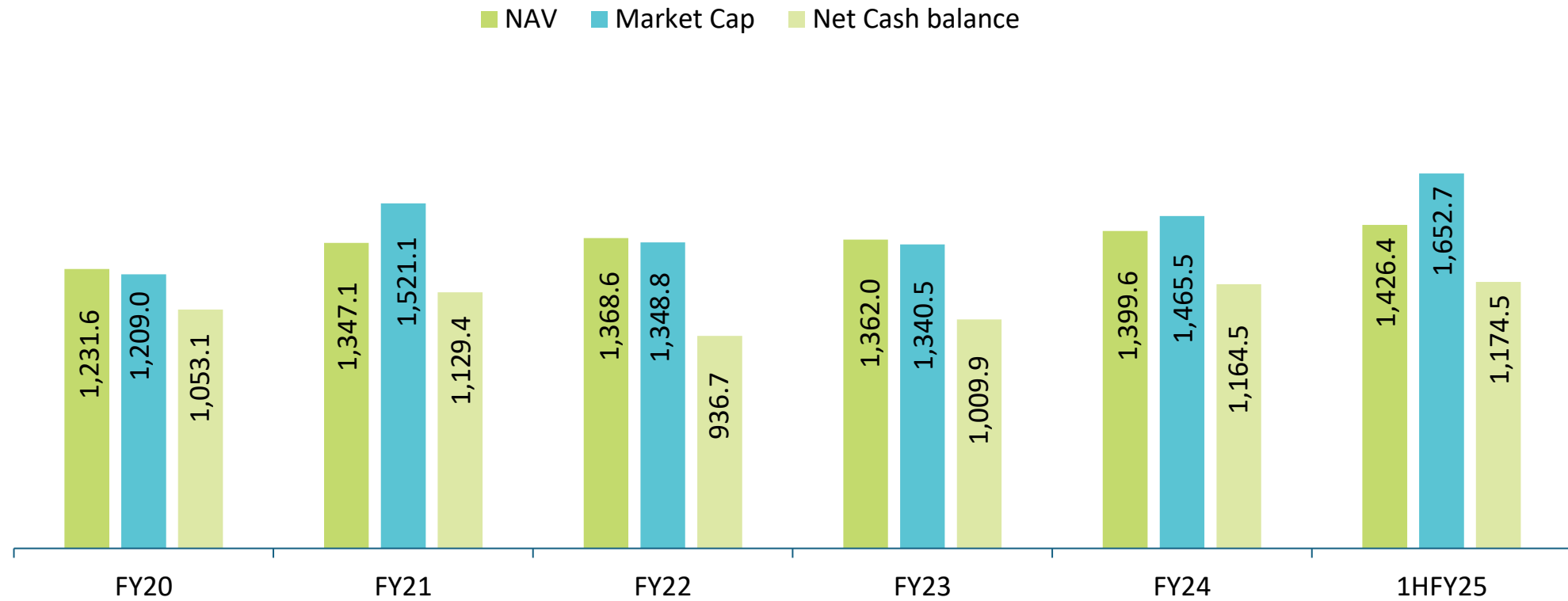
By Shipment Destination



Gross Profit & Net Profit Trend



Market Capitalisation, NAV & Net Cash Balance (HK\$'m)

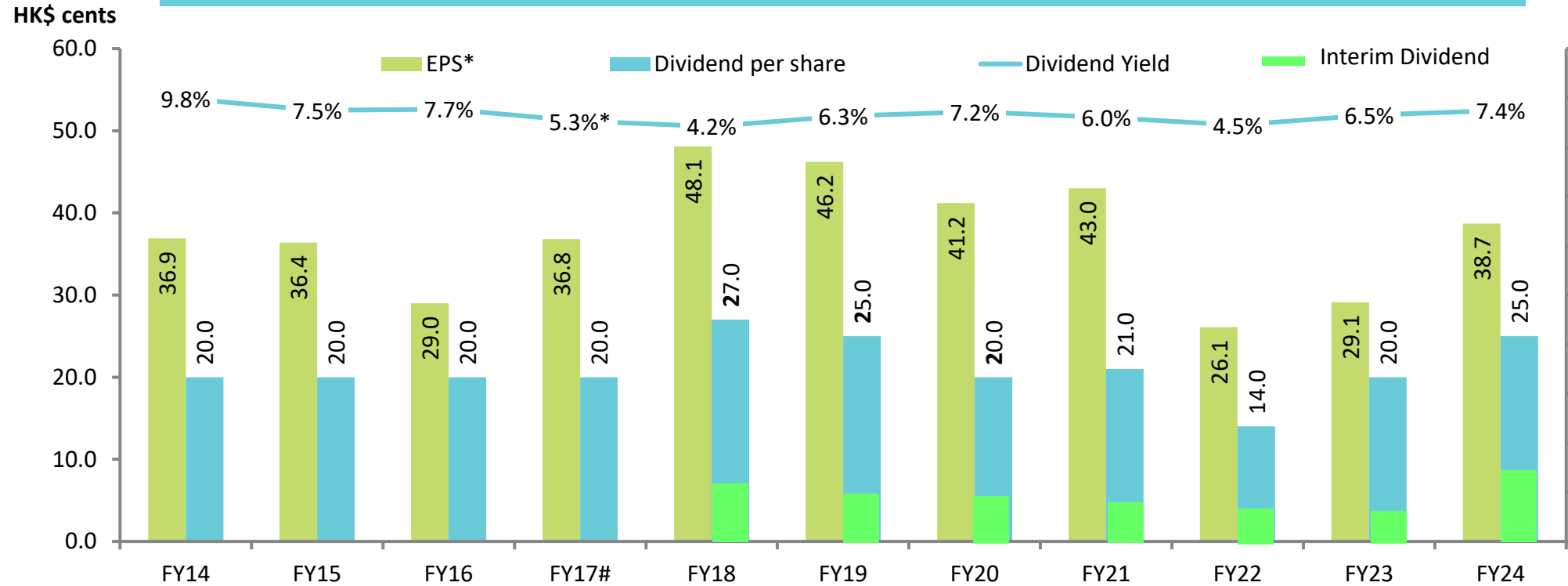


Share price as at respective period/year end date

*SGD/HKD Ex rate as at the end of each respective period: 1HFY25: 6.07 FY24: 5.80

Earnings Per Share & Dividends Per Share

Committed to formal dividend policy of 30-50% payout ratio
1HFY25: Interim dividend of 4.0 HK cents and special dividend of 4.0 HK cents



	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Share Price* (S\$)	0.30	0.43	0.41	0.68	1.08	0.68	0.51	0.61	0.54	0.52	0.58
Dividend Payout	49%	50%	63%	55%*	57%	54%	49%	49%	53%	68%	64%

* Adjusted for 1:10 bonus issue completed in Jun 2017

Quantum of dividend increased by 10% under 1:10 bonus issue

Summary of Cash Flows

HK\$'000	1HFY25	1HFY24
Operating Activities		
Net cash generated from operating activities	103,528	193,137
Investing Activities		
Net cash generated from / (used in) investing activities	(20,525)	11,984
- CAPEX	(50,830)	(14,134)
- Interest received	30,305	25,640
- Others	-	478
Financing Activities		
Net cash used in financing activities	(71,136)	(67,640)
- Dividend paid	(70,012)	(66,209)
- Purchase of treasury shares	(13,318)	(1,431)
- Proceeds from exercise of share options	12,194	-
Net increase in cash and cash equivalents	11,867	137,481
Effect of foreign exchange rate changes	(1,839)	(4,244)
Cash and Cash equivalents		
At beginning of the period	1,164,480	1,009,930
At end of the period	1,174,508	1,143,167

Balance Sheet & Key Ratios

HK\$'M	1HFY25	FY24
Working capital		
Inventories	163.2	173.1
Trade Receivables	427.9	381.9
Trade Payables	<u>(310.3)</u>	<u>(237.3)</u>
	<u>280.8</u>	<u>317.7</u>
Net Current Assets	1,056.1	1,068.0
Net Cash	1,174.5	1,164.5
Net Assets	1,426.4	1,399.6

Turnover Days	1HFY25	FY24
Inventories	41.5	45.0
Trade Receivables	90.6	83.5
Trade Payables	<u>(78.9)</u>	<u>(61.7)</u>
	<u>53.2</u>	<u>66.8</u>

Key Financial Ratios

	1HFY25	FY24
Price (SGD)#	0.64	0.58
NAV per share (SGD)*	0.58	0.59
Cash per share (SGD)*	0.47	0.49
Cash to Mkt Cap ratio	69%	80%

	1HFY25	FY24
Current ratio	2.4	2.6
ROE	12.7%**	11.4%
ROA	8.3%**	7.6%
PB ratio	1.12	0.98

Share price as at respective period/year end date

*SGD/HKD Ex rate as at the end of each respective period: 1HFY25: 6.07; FY24: 5.80

** Annualised

Business Outlook

Macroeconomic Environment

Key Factors

- ✓ Improvements in component supply chain
- ✓ Depreciation in RMB

- ☒ Persistent global inflation
- ☒ Slower-than-anticipated pace of interest rate cuts
- ☒ Heightened geopolitical instability



Disclaimer: Reader should refer to section 4 under Other Information of the Results Announcements for the complete 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 reporting period and the next 12 months.

Strategic Diversification Delivers Results

New Customers Acquired in Previous Years Ramping Up

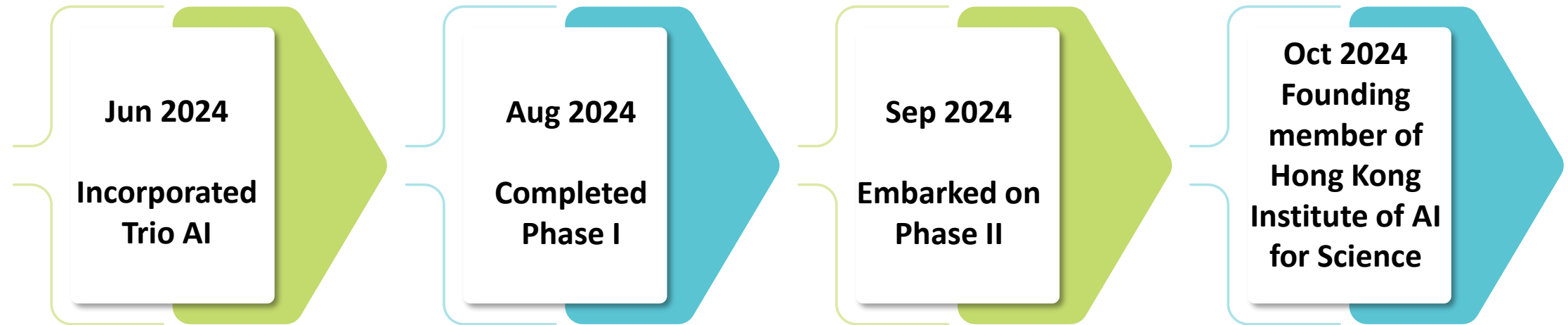
- Strategy of allocating more resources towards newly acquired customers with higher growth potential and better margin showing results
- Slower business in CE from existing customers due to softening demand in end-markets
- Growth in ICE driven by new customers, including encouraging revenue contribution from a Canadian network access solutions provider, and other new customers
- Improvements in component supply chain and the depreciation of Renminbi supported further gains in gross margin

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Looking Ahead

- Exploring new opportunities with existing customers while expanding customer base.
- Diversification strategy, including our integrated manufacturing solutions in Vietnam, will enhance our ability to respond to evolving demands and geopolitical uncertainties.
- Barring unforeseen circumstances, we expect to remain profitable for FY2025.

Rapid Progress of New JV Co



Harnessing opportunities from the AI industry

- Partnership with Sinnet Cloud Hong Kong to establish 55%-owned JV Co, Trio AI, to provide GPU and AI-related cloud services
- Investment amount: HK\$7.7m
- Completed Phase 1 asset acquisition by Computer Assets Limited (CAL), a 100%-owned subsidiary
- Deployed 250 GPU chips and servers
- Ready for customer trials and operations
- Order placed by CAL to increase computing capacity by 750 GPUs chips from 250 GPU chips to over 1,000 GPU chips
- Additional investment: HK\$172.0m
- Additional GPUs to be gradually deployed in CY2025
- HKAI-Sci established by City University of Hong Kong to lead pioneering AI-driven scientific research.
- Trio AI among the academic and industry partners

Positions Trio AI to:

- Attract high-value clients
- Offer premium services that support cutting-edge AI advancements.

Share Buyback



Feb 2022: Announced HK\$250.0 million Share Buyback Program to increase shareholder value and improve return on equity.



To-date 1HFY2025: Regular share buybacks totaling approximately 30.0 million company shares for approximately HK\$92.2m.



Intend to continue Share Buyback Program.

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Corporate Awards

Multi-time winner at the SIAS Investors' Choice Awards

Both 2024 and 2023

- Joint Winner of Most Transparent Company Award (Technology Category)
- Joint Winner of Singapore Corporate Governance Award (Small Cap Category)

2019

- Runner Up of Sustainability Award (Small Cap Category)



Corporate Sustainability Highlights



Local Community Engagement
Carried out such engagements at least once every quarter



Environmental Compliance
Achieved ISO14000 accreditation, standards for environmental management since 2008



Carbon Reduction
Installed solar panels for China campus that will generate power output for factory use and reduce carbon emissions



Diversity
Achieved an almost equal ratio of worker and staff distribution by gender and no incidents of discrimination reported



Thank You!