VALUETRONICS HOLDINGS LIMITED

(Incorporated in Bermuda on 18 August 2006)
(Company Registration Number: 38813)

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED IN RELATION TO THE COMPANY'S ANNUAL REPORT FOR FY2024

The Board of Directors (the "Board") of Valuetronics Holdings Limited ("Valuetronics" or the "Company", together with its subsidiaries, the "Group") refers to the below queries raised by the Singapore Exchange Securities Trading Limited on 11 July 2024 in relation to the Company's annual report for the financial year ended 31 March 2024 ("FY2024") and would like to provide its response as follows:

SGX Query 1:

It is disclosed on page 28 of the FY2024 AR that "During the financial year, the AC had reviewed, amongst others, the audit and non-audit services (if any) rendered by the External Auditors, their independence, re-appointment and remuneration.".

Listing Rule 1207(6)(b) requires the Company's annual report to include a confirmation by the audit committee that it has undertaken a review of all non-audit services provided by the auditors and they would not, in the audit committee's opinion, affect the independence of the auditors. Please disclose the information as required under Listing Rule 1207(6)(b).

Company's Response:

As disclosed in the Corporate Governance Report contained in the Company's Annual Report for FY2024, during the year, the Company had engaged a member firm of PricewaterhouseCoopers ("PwC") to provide non-audit services amounting to HK$0.8 million. Aggregate audit service fees paid to the Company's External Auditors, PricewaterhouseCoopers LLP and member firms of PwC for FY2024 amounted to HK$2.6 million for the Group.

The Audit Committee had reviewed the proposed fees, nature and scope of non-audit services to be provided by a member firm of PwC and was of the opinion that these services would not affect the independence of PricewaterhouseCoopers LLP as the Company's External Auditors.

SGX Query 2:

We note that the Company had engaged Acclime Advisory Services Limited ("Acclime") as the internal auditors of the Group ("IA") following Acclime's acquisition of RSM's non-audit practice/division.

(a) Please disclose (i) the size of the IA; (ii) the qualifications, experience and track record of the IA and the IA Partner; (iii) whether the IA Partner is a member of any professional body for internal auditors and if so, please provide the relevant details; and (iv) the experience and track record of the professionals involved in the IA function of the Group; and

(b) Please disclose whether the IA Partner has prior experience providing IA services to SGX listed entities and entities of similar industry and size of operations as the Company.

Company's Response:

Acclime Consulting (Hong Kong) Limited is the same firm providing internal audit ("IA") services to Valuetronics since the year ended 31 March 2016 ("FY2016"), previously known as RSM Consulting (Hong Kong) Limited which was rebranded to Acclime Consulting (Hong Kong) Limited in September 2023.

Acclime Consulting (Hong Kong) Limited operates under Acclime Advisory Services Limited which is part of Acclime Group ("Acclime"). Acclime is a professional services firm with an Asian focus, operating in 15 markets in the region with more than 14,500 active clients and over 1,390 staff. Its pillar strengths rest in risk advisory, corporate governance, ESG advisory, tax compliance and advisory, M&A advisory, business valuation, accounting, HR/payroll, corporate restructuring, insolvency, digital forensic investigations and company formation. Acclime Consulting (Hong Kong) Limited has over 150 full-time employees, catering to clients that include companies listed in Singapore and Hong Kong, quasi-government organizations, and non-profit organizations.

The IA team serving Valuetronics consists of 6 professional members, including the Director-in-charge and the IA Partner. The Director-in-charge, responsible for overall planning, monitoring progress, and supervising the team, has over 30 years of professional experience and has headed IA services for Valuetronics since FY2016. She possesses extensive experience in internal control reviews, IA for local and global clients, US SOX compliance, corporate governance compliance, and enterprise risk assessment. The IA Partner, responsible for the quality review of IA work, has extensive experience in risk advisory (including US SOX-related projects), transaction advisory, accounting, and consulting services. She has profound knowledge in serving a diverse clientele, including listed companies, multinational corporations, private equity, diversified financial institutions, and family offices across pan-Asia.

Both the Director-in-charge and the IA Partner are members of the Hong Kong Institute of Certified Public Accountants. They have extensive experience in providing IA services to various listed and non-listed companies, particularly in the manufacturing industry, and has experience with companies of similar size to Valuetronics Holding Limited. Additionally, both the Director-in-charge and the IA Partner have prior experiences providing IA services to SGX listed entities.

BY ORDER OF THE BOARD
VALUETRONICS HOLDINGS LIMITED

Tse Chong Hing
Chairman and Managing Director

12 July 2024