

**VALUETRONICS HOLDINGS LIMITED**

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MARCH 2023**

**A. CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MARCH 2023**

	Note	The Group					
		6 months ended 31 March			12 months ended 31 March		
		2023 (Unaudited)	2022 (Unaudited)	Change	2023 (Unaudited)	2022 (Audited)	Change
		HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
<b>Revenue</b>	6	962,143	1,012,904	-5.0	2,013,688	2,027,426	-0.7
Cost of sales		(831,675)	(881,705)	-5.7	(1,751,993)	(1,752,611)	0.0
<b>Gross profit</b>		<b>130,468</b>	<b>131,199</b>	<b>-0.6</b>	<b>261,695</b>	<b>274,815</b>	<b>-4.8</b>
Selling and distribution expenses		(9,812)	(9,917)	-1.1	(21,870)	(21,636)	1.1
Administrative expenses		(72,269)	(66,302)	9.0	(138,946)	(141,585)	-1.9
Other income and gains, net		19,111	7,330	160.7	32,040	14,734	117.5
<b>Operating profit</b>		<b>67,498</b>	<b>62,310</b>	<b>8.3</b>	<b>132,919</b>	<b>126,328</b>	<b>5.2</b>
Finance costs		(258)	(290)	-11.0	(508)	(583)	-12.9
<b>Profit before income tax</b>		<b>67,240</b>	<b>62,020</b>	<b>8.4</b>	<b>132,411</b>	<b>125,745</b>	<b>5.3</b>
Income tax expense	9	(2,106)	(5,108)	-58.8	(9,421)	(12,199)	-22.8
<b>Profit for the period</b>		<b>65,134</b>	<b>56,912</b>	<b>14.4</b>	<b>122,990</b>	<b>113,546</b>	<b>8.3</b>
<b>Attributable to:</b>							
Owners of the Company		65,134	56,912	14.4	122,990	113,546	8.3
<b>Earnings per share for profit attributable to owners of the Company for the period</b>							
		HK cents	HK cents		HK cents	HK cents	
- Basic	10	15.6	13.1	19.1	29.1	26.1	11.5
- Diluted	10	15.6	13.1	19.1	29.1	26.0	11.9

**B. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MARCH 2023**

	The Group					
	6 months ended 31 March			12 months ended 31 March		
	2023 (Unaudited)	2022 (Unaudited)	Change	2023 (Unaudited)	2022 (Audited)	Change
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
<b>Profit for the period</b>	<b>65,134</b>	<b>56,912</b>	<b>14.4</b>	<b>122,990</b>	<b>113,546</b>	<b>8.3</b>
<b>Other comprehensive (loss) / income, net of tax:</b>						
<i>Items that may be reclassified to profit or loss:</i>						
Currency translation differences	(3,554)	(1,812)	NM	(19,174)	2,923	NM
<b>Total comprehensive income for the period</b>	<b>61,580</b>	<b>55,100</b>	<b>11.8</b>	<b>103,816</b>	<b>116,469</b>	<b>-10.9</b>
<b>Attributable to:</b>						
Owners of the Company	61,580	55,100	11.8	103,816	116,469	-10.9

**Note:**

NM: Not meaningful

**C. CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023**

	Note	The Group		The Company	
		At 31.3.2023 (Unaudited)	At 31.3.2022 (Audited)	At 31.3.2023 (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	286,039	318,319	-	-
Right-of-use assets		42,909	47,451	-	-
Investment in subsidiaries		-	-	83,330	83,330
Financial assets at fair value through profit or loss	7	22,200	24,600	-	-
Other non-current assets		18,009	19,105	-	-
<b>Total non-current assets</b>		<b>369,157</b>	<b>409,475</b>	<b>83,330</b>	<b>83,330</b>
<b>Current assets</b>					
Inventories		203,625	273,508	-	-
Trade receivables		463,811	430,681	-	-
Other receivables		6,845	4,191	-	-
Prepayments and other current assets		22,535	41,135	314	300
Due from subsidiaries		-	-	468,987	487,560
Cash and cash equivalents		1,009,930	936,665	3,795	212
<b>Total current assets</b>		<b>1,706,746</b>	<b>1,686,180</b>	<b>473,096</b>	<b>488,072</b>
<b>Total assets</b>		<b>2,075,903</b>	<b>2,095,655</b>	<b>556,426</b>	<b>571,402</b>
<b>EQUITY</b>					
Share capital	14	43,563	43,563	43,563	43,563
Treasury shares		(64,504)	(11,138)	(64,504)	(11,138)
Reserves		1,382,936	1,336,178	576,902	538,146
<b>Total equity</b>		<b>1,361,995</b>	<b>1,368,603</b>	<b>555,961</b>	<b>570,571</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Deferred income tax liabilities		474	2,974	-	-
<b>Total non-current liabilities</b>		<b>474</b>	<b>2,974</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade payables		233,565	262,733	-	-
Other payables and accruals		397,681	385,987	465	831
Contract liabilities		30,553	24,299	-	-
Current income tax liabilities		51,635	51,059	-	-
<b>Total current liabilities</b>		<b>713,434</b>	<b>724,078</b>	<b>465</b>	<b>831</b>
<b>Total liabilities</b>		<b>713,908</b>	<b>727,052</b>	<b>465</b>	<b>831</b>
<b>Total equity and liabilities</b>		<b>2,075,903</b>	<b>2,095,655</b>	<b>556,426</b>	<b>571,402</b>
<b>Net current assets</b>		<b>993,312</b>	<b>962,102</b>	<b>472,631</b>	<b>487,241</b>
<b>Total assets less current liabilities</b>		<b>1,362,469</b>	<b>1,371,577</b>	<b>555,961</b>	<b>570,571</b>

**D. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED  
31 MARCH 2023**

(Unaudited)  The Group	Attributable to the owners of the Company								
	Reserves						Retained earnings	Total reserves	Total equity
	Share capital	Treasury share	Share premium	Share-based payment reserve	Currency translation reserve	Statutory reserve			
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	-	-	-	-	(19,174)	-	122,990	103,816	103,816
Dividends paid (note 11)	-	-	-	-	-	-	(59,434)	(59,434)	(59,434)
Share-based compensation	-	-	-	2,376	-	-	-	2,376	2,376
Forfeiture of share option	-	-	-	(608)	-	-	608	-	-
Purchase of treasury shares	-	(53,366)	-	-	-	-	-	-	(53,366)
Transfer to statutory reserve	-	-	-	-	-	262	(262)	-	-
Changes in equity for the period	-	(53,366)	-	1,768	(19,174)	262	63,902	46,758	(6,608)
<b>Balance at 31 March 2023</b>	<b>43,563</b>	<b>(64,504)</b>	<b>164,515</b>	<b>16,768</b>	<b>3,495</b>	<b>5,506</b>	<b>1,192,652</b>	<b>1,382,936</b>	<b>1,361,995</b>
(Audited)									
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	-	-	-	-	2,923	-	113,546	116,469	116,469
Dividends paid (note 11)	-	-	-	-	-	-	(87,125)	(87,125)	(87,125)
Share-based compensation	-	-	-	3,286	-	-	-	3,286	3,286
Forfeiture of share options	-	-	-	(540)	-	-	540	-	-
Purchase of treasury shares	-	(11,120)	-	-	-	-	-	-	(11,120)
Changes in equity for the period	-	(11,120)	-	2,746	2,923	-	26,961	32,630	21,510
<b>Balance at 31 March 2022</b>	<b>43,563</b>	<b>(11,138)</b>	<b>164,515</b>	<b>15,000</b>	<b>22,669</b>	<b>5,244</b>	<b>1,128,750</b>	<b>1,336,178</b>	<b>1,368,603</b>

**D. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 MARCH 2023 (CONT'D)**

<b>(Unaudited)</b>  <b>The Company</b>	<b>Reserves</b>							
	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	-	-	-	-	-	95,814	95,814	95,814
Dividends paid (note 11)	-	-	-	-	-	(59,434)	(59,434)	(59,434)
Share-based compensation	-	-	-	2,376	-	-	2,376	2,376
Forfeiture of share option	-	-	-	(608)	-	608	-	-
Purchase of treasury shares	-	(53,366)	-	-	-	-	-	(53,366)
Changes in equity for the period	-	(53,366)	-	1,768	-	36,988	38,756	(14,610)
<b>Balance at 31 March 2023</b>	<b>43,563</b>	<b>(64,504)</b>	<b>164,515</b>	<b>16,768</b>	<b>67,239</b>	<b>328,380</b>	<b>576,902</b>	<b>555,961</b>
<b>(Audited)</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	-	-	-	-	-	146,224	146,224	146,224
Dividends paid (note 11)	-	-	-	-	-	(87,125)	(87,125)	(87,125)
Share-based compensation	-	-	-	3,286	-	-	3,286	3,286
Forfeiture of share options	-	-	-	(540)	-	540	-	-
Purchase of treasury shares	-	(11,120)	-	-	-	-	-	(11,120)
Changes in equity for the period	-	(11,120)	-	2,746	-	59,639	62,385	51,265
<b>Balance at 31 March 2022</b>	<b>43,563</b>	<b>(11,138)</b>	<b>164,515</b>	<b>15,000</b>	<b>67,239</b>	<b>291,392</b>	<b>538,146</b>	<b>570,571</b>

**E. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 MARCH 2023**

	The Group		The Group	
	6 months ended 31 March		year ended 31 March	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	67,240	62,020	132,411	125,745
Adjustments for :				
Depreciation of the right-of-use assets	537	2,398	1,621	3,644
Depreciation on property, plant and equipment	24,163	29,977	53,397	58,028
Provision for impairment of trade receivables	-	1,499	-	1,499
Gain on disposals of property, plant and equipment	(1,478)	(1,333)	(1,858)	(1,101)
Share-based compensation	992	1,298	2,376	3,286
Interest income, net	(15,799)	(1,219)	(21,238)	(2,289)
Investment income	-	(2,694)	-	(2,694)
	<b>75,655</b>	<b>91,946</b>	<b>166,709</b>	<b>186,118</b>
Changes in working capital:				
Inventories	56,244	(25,353)	69,883	(59,428)
Trade receivables	(24,157)	99,427	(33,130)	58,329
Other receivables	(4,925)	(6,788)	(2,654)	(3,560)
Prepayments and other current assets	16,281	(908)	13,375	(7,845)
Trade payables	(81,672)	(69,629)	(29,168)	(102,448)
Other payables and accruals	22,720	(23,651)	11,694	(60,225)
Contract liabilities	4,673	(599)	6,254	108
<b>Net cash generated from operations</b>	<b>64,819</b>	<b>64,445</b>	<b>202,963</b>	<b>11,049</b>
Income tax paid	(4,341)	(18,119)	(4,790)	(21,968)
<b>Net cash generated from / (used in) operating activities</b>	<b>60,478</b>	<b>46,326</b>	<b>198,173</b>	<b>(10,919)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(9,628)	(19,574)	(34,627)	(92,284)
Acquisition of right-of-use assets	-	(1,032)	-	(1,032)
Proceeds from disposals of property, plant and equipment	2,157	1,737	2,563	3,091
Proceeds from returns on financial assets at fair value	-	1,360	-	2,694
Interest received	15,799	1,219	21,238	2,289
<b>Net cash generated from / (used in) investing activities</b>	<b>8,328</b>	<b>(16,290)</b>	<b>(10,826)</b>	<b>(85,242)</b>
<b>Cash flows from financing activities</b>				
Purchase of treasury shares	(21,917)	(11,120)	(53,366)	(11,120)
Dividend paid	(16,765)	(17,425)	(59,434)	(87,125)
<b>Net cash used in financing activities</b>	<b>(38,682)</b>	<b>(28,545)</b>	<b>(112,800)</b>	<b>(98,245)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>30,124</b>	<b>1,491</b>	<b>74,547</b>	<b>(194,406)</b>
Effect of foreign exchange rate changes	495	(1,507)	(1,282)	1,625
<b>Cash and cash equivalents at beginning of the period</b>	<b>979,311</b>	<b>936,681</b>	<b>936,665</b>	<b>1,129,446</b>
<b>Cash and cash equivalents at end of the period</b>	<b>1,009,930</b>	<b>936,665</b>	<b>1,009,930</b>	<b>936,665</b>

## F. NOTES TO THE CONDENSED 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 consolidated financial statements as at and for the six months and full year ended 31 March 2023 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 consolidated financial statements have been presented in thousands of HK dollar ("HK\$") unless otherwise stated.

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

### 2 Basis of preparation

The condensed consolidated financial statements for the six months and year ended 31 March 2023 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 consolidated financial statements for the six months 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 amendments to standards does not have any significant financial impact to the results and financial position of the Group and the Company.

#### (b) New standards, amendments to standards and interpretations not yet effective

The following are new/revised 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 2023, but have not been early adopted.

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

### 3 Accounting policies (Continued)

#### (b) New standards, amendments to standards and interpretations not yet effective (Continued)

- |   |   |
|---|---|
| • IFRS 17   | Insurance Contracts <sup>(1)</sup>  |
| • Amendments to IAS 1                               | Classification of Liabilities as Current/Non-current <sup>(1)</sup>                             |
| • Amendments to IAS 1                               | Non current liabilities with covenants <sup>(1)</sup>   |
| • Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies <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> |
| • Amendment to IFRS 16                              | Leases on sale and leaseback <sup>(1)</sup>   |

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

These new standards or amendments to existing standards are not expected to have any material impact on the Group and the Company in the current or future reporting periods and on foreseeable future transactions.

### 4 Estimates

The preparation of condensed 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 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 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.

### 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

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

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

Depreciation, amortisation, capital expenditure, other non-cash expenses and other assets and liabilities cannot be directly attributable to individual segments and it is impractical to arbitrarily allocate them to the segments. Segment assets and liabilities is evaluated based on the total assets and total liabilities in the balance sheet.

(Unaudited)	<b>Consumer Electronics</b> HK\$'000	<b>Industrial and Commercial Electronics</b> HK\$'000	<b>Total</b> HK\$'000
<b>For the 6 months ended 31 March 2023</b>			
Revenue (from external customers)	187,277	774,866	962,143
Timing of revenue recognition			
- at a point in time	187,196	772,876	960,072
- over time	81	1,990	2,071
Segment profit	12,078	115,832	127,910

(Unaudited)	<b>Consumer Electronics</b> HK\$'000	<b>Industrial and Commercial Electronics</b> HK\$'000	<b>Total</b> HK\$'000
<b>For the 6 months ended 31 March 2022</b>			
Revenue (from external customers)	387,474	625,430	1,012,904
Timing of revenue recognition			
- at a point in time	387,133	621,254	1,008,387
- over time	341	4,176	4,517
Segment profit	24,996	94,597	119,593

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

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

(Unaudited)	<b>Consumer Electronics</b> HK\$'000	<b>Industrial and Commercial Electronics</b> HK\$'000	<b>Total</b> HK\$'000
<b>For the year ended 31 March 2023</b>			
Revenue (from external customers)	433,366	1,580,322	2,013,688
Timing of revenue recognition			
- at a point in time	433,285	1,576,249	2,009,534
- over time	81	4,073	4,154
Segment profit	28,294	228,202	256,496
<b>Assets and liabilities</b>			
Unallocated assets			2,075,903
<b>Total assets</b>			2,075,903
Unallocated liabilities			713,908
<b>Total liabilities</b>			713,908
<b>For the year ended 31 March 2022</b>			
Revenue (from external customers)	706,862	1,320,564	2,027,426
Timing of revenue recognition			
- at a point in time	706,379	1,311,957	2,018,336
- over time	483	8,607	9,090
Segment profit	51,803	203,546	255,349
<b>Assets and liabilities</b>			
Unallocated assets			2,095,655
<b>Total assets</b>			2,095,655
Unallocated liabilities			727,052
<b>Total liabilities</b>			727,052

(Audited)	<b>Consumer Electronics</b> HK\$'000	<b>Industrial and Commercial Electronics</b> HK\$'000	<b>Total</b> HK\$'000
<b>For the year ended 31 March 2022</b>			
Revenue (from external customers)	706,862	1,320,564	2,027,426
Timing of revenue recognition			
- at a point in time	706,379	1,311,957	2,018,336
- over time	483	8,607	9,090
Segment profit	51,803	203,546	255,349
<b>Assets and liabilities</b>			
Unallocated assets			2,095,655
<b>Total assets</b>			2,095,655
Unallocated liabilities			727,052
<b>Total liabilities</b>			727,052

**F. NOTES TO THE CONDENSED 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 6 months ended 31 March		For the year ended 31 March	
	2023	2022	2023	2022
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000
Segment profit	127,910	119,593	256,496	255,349
Unallocated corporate expenses				
- staff costs	(63,804)	(54,063)	(120,276)	(116,698)
- income tax expense	(2,106)	(5,108)	(9,421)	(12,199)
- others	3,134	(3,510)	(3,809)	(12,906)
Profit for the period	65,134	56,912	122,990	113,546

Geographical information:

	Revenue				Non-current assets (other than financial instruments)	
	For the 6 months ended 31 March		For the year ended 31 March		As at 31 March	As at 31 March
	2023	2022	2023	2022	2023	2022
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000
United States of America	416,743	354,230	857,272	710,907	-	-
People's Republic of China (the "PRC")	154,579	233,571	315,796	493,726	120,127	145,391
Poland	106,405	126,278	207,140	222,473	-	-
Hong Kong	64,196	100,691	162,074	170,997	14,876	15,573
Netherlands	61,054	33,700	121,838	95,744	-	-
Indonesia	14,010	59,391	74,259	87,619	-	-
Canada	27,987	21,263	69,114	38,825	-	-
South Korea	8,175	11,291	19,952	21,970	-	-
Vietnam	-	2,042	-	12,686	211,954	223,911
Germany	11,800	20,052	14,938	45,063	-	-
France	3,561	4,294	9,952	9,914	-	-
Other countries	93,633	46,101	161,353	117,502	-	-
Total	962,143	1,012,904	2,013,688	2,027,426	346,957	384,875

## F. NOTES TO THE CONDENSED 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 31 March 2023 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). This is the case for private equity funds at fair value through profit or loss ("FVPL").

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>At 31 March 2023 (Unaudited)</b>				
Financial assets at FVPL	-	-	22,200	22,200
	<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 year ended 31 March 2023.

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 6 months ended 31 March		For the year ended 31 March	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Audited) HK\$'000
<b>Income</b>				
Interest income	(15,799)	(1,219)	(21,238)	(2,289)
<b>Expenses</b>				
Depreciation on property, plant and equipment	24,163	29,977	53,397	58,028
Depreciation of right-of-use assets	537	2,398	1,621	3,644
Finance costs	258	290	508	583
<b>Other income and gains, net</b>				
Gain on disposal of property, plant and equipment	(1,478)	(1,333)	(1,858)	(1,101)
Net exchange losses/(gains)	213	3	(2,847)	(2,939)
Investment income	-	(1,360)	-	(2,694)

**F. NOTES TO THE CONDENSED 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 consolidated income statement are:

	For the 6 months ended 31 March		For the year ended 31 March	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Audited) HK\$'000
Current tax charge				
- Hong Kong profits tax	4,061	3,456	10,761	8,900
- PRC enterprise income tax	545	3,752	1,160	5,399
Deferred tax credit	(2,500)	(2,100)	(2,500)	(2,100)
	<u>2,106</u>	<u>5,108</u>	<u>9,421</u>	<u>12,199</u>

**10 Earnings per share**

	For the 6 months ended 31 March		For the year ended 31 March	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Audited)
Earnings per ordinary share based on the net profit for the period (HK cents)				
- Based on weighted average number of ordinary shares on issue	15.6	13.1	29.1	26.1
- On a fully diluted basis	15.6	13.1	29.1	26.0
Number of ordinary shares in issue (excluding treasury shares)				
- Weighted average number of ordinary shares for the purpose of basic earnings per share	416,974,497	434,926,234	422,556,132	435,451,270
- Effect of potentially dilutive ordinary shares – Share options	190,864	574,875	190,864	574,875
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>417,165,361</u>	<u>435,501,109</u>	<u>422,746,996</u>	<u>436,026,145</u>

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

**11 Dividends**

	For the year ended 31	
	March	
	2023	2022
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Interim dividend, paid of HK\$4 cents (2022: HK\$4 cents) per ordinary share	16,766	17,425
Final dividend proposed of HK\$10 cents (2022: HK\$10 cents) per ordinary share	41,391	43,191
Special dividend proposed of HK\$6 cents (2022: Nil) per ordinary share	24,834	-
	<u>          </u>	<u>          </u>

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

Name of Dividend	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Amount per Share (in HK cents)	HK 4 cents per ordinary share	HK 10 cents per ordinary share	HK 6 cents per ordinary share
Tax Rate	Not applicable	Not applicable	Not applicable

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

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in HK cents)	HK 4 cents per ordinary share	HK 10 cents per ordinary share
Tax Rate	Not applicable	Not applicable

**(c) Date payable**

Payment of the proposed final dividend and special dividend, if approved by shareholders at the Annual General Meeting to be held in July 2023, will be made on 22 August 2023.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 11 August 2023 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 10 August 2023 will be registered to determine shareholders' entitlements to the final dividend and special dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 10 August 2023 will be entitled to the final dividend and special 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 CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**12 Net asset value**

	The Group		The Company	
	As at 31 March 2023 (Unaudited) HK\$	As at 31 March 2022 (Audited) HK\$	As at 31 March 2023 (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	3.3	3.2	1.3	1.2
Number of ordinary shares in issue excluding treasury shares	413,906,337	431,914,737	413,906,337	431,914,737

**13 Property, plant and equipment**

During the year ended 31 March 2023, the additions to property, plant and equipment of the Group was HK\$36,460,000 (2022: HK\$89,364,000).

**14 Share capital**

There were no changes in the Company's issued share capital during the period 1 April 2022 to 31 March 2023. During the six months ended 31 March 2023, the Company had bought back an aggregate of 6,491,600 shares, which have been held as treasury shares.

As at 31 March 2023, the number of ordinary shares in issue was 435,630,837 of which 21,724,500 were held by the Company as treasury shares (equivalent to 5.25% of the total number of issued shares excluding treasury shares of 413,906,337). 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.

There was no subsidiary holding as at 31 March 2023 and 2022.

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 31 March 2023, 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>Additions</u>	<u>Share options forfeited</u>	<u>As at 31 March 2023</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	-	(125,000)	2,770,000
	S\$0.530	2,245,000	-	(80,000)	2,165,000
	S\$0.570	3,095,000	-	(105,000)	2,990,000
	S\$0.460	2,400,000	-	-	2,400,000
	S\$0.530	1,890,000	-	-	1,890,000
	S\$0.490	-	1,300,000	-	1,300,000
<b>Total</b>		<b>12,684,500</b>	<b>1,300,000</b>	<b>(310,000)</b>	<b>13,674,500</b>

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

**14 Share capital (Continued)**

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

As at 31 March 2022, 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>Additions</u>	<u>Share options forfeited</u>	<u>As at 31 March 2022</u> (Audited)
Incentive Options (Note)	S\$0.268*	27,500	-	-	27,500
	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
	S\$0.530	-	1,890,000	-	1,890,000
Total		11,194,500	1,890,000	(400,000)	12,684,500

\* 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 31 March 2023 and 2022.

**15 Capital commitments**

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

	<u>As at 31 March 2023</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	3,863	23,644

**16 Related party transactions**

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 CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**

**16 Related party transactions (Continued)**

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

	The Group			
	For the 6 months ended 31 March		For the year ended 31 March	
	2023	2022	2023	2022
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000
Purchases of goods from				
- Nicecon Limited (note)	-	866	-	2,855
Purchases of services from				
- Concord Building Co., Ltd (note)	-	560	160	1,286

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

	The Group	
	As at 31 March 2023	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**

<b>As at 31 March 2023</b>		<b>As at 31 March 2022</b>	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nil	Nil	Nil	Nil

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

<b>As at 31 March 2023</b>		<b>As at 31 March 2022</b>	
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 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 – Full Year Results ended 31 March 2023 ("FY 23") and the Six Months Results ended 31 March 2023 ("2H 23")**

#### **Revenue**

Revenue for FY 23 slightly decreased by 0.7% to HK\$2,013.7M, 2H 23 revenue was HK\$962.1M (-5.0% YoY).

Industrial and Commercial Electronics revenue for FY 23 increased by 19.7% to HK\$1,580.3M, 2H 23 ICE revenue was HK\$774.8M (+23.9% YoY). Such increase was mainly contributed by the increase in demand from some of our Industrial and Commercial Electronics customers, including several new customers.

Consumer Electronics revenue for FY 23 decreased by 38.7% to HK\$433.4M, 2H 23 CE revenue was HK\$187.3M (-51.7% YoY), which was mainly due to the softening demand in end-markets.

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

Gross profit for FY 23 decreased by 4.8% to HK\$261.7M, 2H 23 gross profit was HK\$130.5M (-0.6% YoY). Despite facing a component shortage in the first half, resulting in increased component prices and a decline in the gross profit margin on a full year basis, we experienced a recovery in the second quarter as the component shortage relaxed.

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

Other income for FY 23 increased by 117.5% to HK\$32.0M, 2H 23 was HK\$19.1M (+160.7% YoY), which was mainly due to the increase in interest income as US Fed lifted interest rate several time during the year.

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

Selling and distribution expenses for FY 23 slightly increased by 1.1% to HK\$21.9M, 2H 23 was HK\$9.8M (-1.1% YoY).

#### **Administrative expenses**

Administrative expenses for FY 23 decreased by 1.9% to HK\$138.9M, 2H 23 was HK\$72.3M (+9.0% YoY). In the second half of the year, we have incurred increased staff costs as we strategically expanded our team to support the growth of the Vietnam campus.

## G. OTHER INFORMATION (CONT'D)

### Profit for the period

As a result of the above, the Group achieved a commendable 8.3% profit growth to HK\$123.0M, largely due to the increase in interest income resulting from the interest rate hike despite the erosion in the Group's gross profit margin. Net profit for 2H 23 was HK\$65.1M (+14.4% YoY).

### Financial position and cash flows

As at 31 March 2023, the Group had net current assets of HK\$993.3M (31 March 2022: HK\$962.1M), total assets of HK\$2,075.9M (31 March 2022: HK\$2,095.7M) and shareholders' funds of HK\$1,362.0M (31 March 2022: HK\$1,368.6M).

The Group's trade receivables increased by HK\$33.1M from HK\$430.7 million as at 31 March 2022 to HK\$463.8M as at 31 March 2023. The Group's trade payables decreased by HK\$29.1M from HK\$262.7M as at 31 March 2022 to HK\$233.6M as at 31 March 2023. The Group's inventories decreased by HK\$69.9M from HK\$273.5M as at 31 March 2022 to HK\$203.6M as at 31 March 2023.

The working capital of the Group as at 31 March 2023, which is the sum of trade receivables and inventories less trade payables, was HK\$433.8M (31 March 2022: HK\$441.5M). 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 31 March 2023 (31 March 2022: Nil).

As at 31 March 2023, the Group had cash and cash equivalents of HK\$1,009.9M (31 March 2022: HK\$936.7M). Over 95% of its cash and cash equivalents were placed in reputable financial institutions in Hong Kong and Singapore. The remaining balance of the cash and cash equivalents, mainly in the PRC and Vietnam, were placed in equivalent reputable financial institutions. The cash and cash equivalents are reviewed 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.**

The macro-environment in which the Group operates continues to present challenges. The interest rate hikes and rising inflationary pressures have continued to impact consumer spending patterns. Geopolitical tensions, including the ongoing Russia-Ukraine conflicts, as well as the potential ramifications of the US regional bank crisis, also continue to generate cautious market sentiments.

The Group continues to face these challenges in its business. Customers have deferred orders to manage inventory levels in response to weakened market demands, which led to an adverse impact on the Group's revenue. In addition, although there has been some respite in the component shortage problem faced by the industry compared to last year, significant reductions in component costs and improvements in lead time did not materialise. In fact, these challenges in the component supply chain are expected to persist, exerting pressure on the Group's gross profit margins in the financial year ending 31 March 2024 ("FY2024").

Despite the challenging environment, the Group's strategic decision to establish a manufacturing site in Vietnam has yielded positive results. Through the regional manufacturing footprint strategy, the Group has attracted new customers seeking to diversify their supply chains while benefiting from lower labour costs in different countries across Asia. This move has positioned the Group well to capitalise on the evolving dynamics in the global supply chain landscape in its customers' acquisition strategy. Towards the end of the financial year ended 31 March 2023 ("FY2023"), the Group has successfully commenced initial shipment to two new customers, including a hardware provider for retail chain stores, and a customer providing cooling solutions for high performance computing environments. The Group foresees a full year revenue contribution from these two new customers in FY2024. This will also contribute to the diversification of the Group's revenue streams.

As part of its customers' acquisition effort, the Group has recently secured two additional new customers. One of these customers is supplying electronic products to leading global entertainment conglomerate; another customer is a network access solutions provider based in Canada. Their initial shipments are scheduled to commence in the second half of FY2024, and the Group expects to ramp up the production in the financial year ending on 31 March 2025 ("FY2025"). These new customer acquisitions signify Valuetronics continued success in expanding customer base and demonstrate the ability to effectively serve diverse industries.

Despite the challenges ahead, the Group maintains confident in its ability to navigate these, with a strong balance sheet, a diverse customer base, and a proven track record of operational excellence. The Group remains steadfast in its customer acquisition efforts. Barring unforeseen circumstances, the Company expects to remain profitable for FY2024.

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 then, HK\$65 million has been utilised to repurchase an aggregate of 22 million company shares. The Group intends to continue with the Share Buyback Program.

### 5 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 1 above.

**G. OTHER INFORMATION (CONT'D)**

**6 A breakdown of sales.**

	Year ended 31 March 2023 HK\$'000	Year ended 31 March 2022 HK\$'000	Change %
(a) Sales from operations reported for first half year	1,051,545	1,014,522	3.6
(b) Operating profit after tax reported for first half year	57,856	56,634	2.2
(c) Sales from operations reported for second half year	962,143	1,012,904	-5.0
(d) Operating profit after tax reported for second half year	65,134	56,912	14.4

**7 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Year ended 31 March 2023	Year ended 31 March 2022
	HK\$'000	HK\$'000
<b>Ordinary</b>	82,991	60,616
<b>Preference</b>	N/A	N/A
<b>Total:</b>	82,991	60,616

**8 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.

**9 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the prescribed format. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative to a director, chief executive officer or substantial shareholder of the Company.

**10 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.

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

**Tse Chong Hing**  
Chairman and Managing Director  
30 May 2023

**Chow Kok Kit**  
Executive Director