2023/2024

INTERIM REPORT 中期報告書

VTech Holdings Limited
偉易達集團
HKSE：303

Chairman's Statement

VTech reported an increase in profit in the first half of the financial year 2024 despite a slight decline in revenue, as operating expenses decreased and gross profit margin improved.

VTech reported an increase in profit in the first half of the financial year 2024 despite a slight decline in revenue, as operating expenses decreased and gross profit margin improved. There was a particularly strong performance by the Group's contract manufacturing services (CMS), which achieved record first-half revenue.

Results and Dividend

Group revenue for the six months ended 30 September 2023 decreased by 2.1% to US$1,140.9 million, from US$1,164.8 million in the corresponding period last year. Lower sales in North America, Europe and Other Regions offset higher sales in Asia Pacific.

Profit attributable to shareholders of the Company rose by 14.1% to US$93.6 million. The growth in profit was mainly attributable to lower operating expenses, as selling and distribution costs declined. This was supported by a modest improvement in gross profit margin.

Basic earnings per share increased by 13.8% to US37.0 cents, compared to US32.5 cents in the same period of the previous financial year.

The Board of Directors has declared an interim dividend of US17.0 cents per ordinary share, unchanged from the dividend declared in the first half of the financial year 2023.

Costs

The Group's gross profit margin in the first six months of the financial year 2024 was 28.5%, as compared with 28.3% in the same period of the previous financial year.

The improvement came as freight costs and inventory provisions fell. Direct labour costs and manufacturing overheads also declined, as a result of the depreciation of the Renminbi against the US dollar, increased automation and a reduction in the factory workforce. These gains offset two negative factors. Cost of materials as a percentage of Group revenue rose despite lower materials prices, following a change in product mix. The depreciation of most currencies against the US dollar during the period also had a negative impact.

Segment Results

North America

Group revenue in North America decreased by 7.7% to US$489.4 million in the first six months of the financial year 2024. Higher sales of CMS were offset by lower sales of electronic learning products (ELPs) and telecommunication (TEL) products. North America remained VTech's largest market, accounting for 42.9% of Group revenue.

ELPs revenue in North America declined by 21.8% to US$208.4 million. The decrease was primarily driven by lower sell-through. The unfavourable year-on-year comparison is also due to the advancement of some customer shipments in the comparable period of last year to compensate for logistics delays. During the first nine months of the calendar year 2023, the Group maintained its position as the number one manufacturer of electronic learning toys from infancy through toddler and preschool in the US and Canada[1].

Sales of standalone and platform products decreased for both the VTech and LeapFrog brands. In standalone products, at VTech, growth in the Go! Go! Smart family of products, Switch & Go® Dinos and the Kidi line was insufficient to compensate for the declines in infant, toddler and preschool products, the KidiZoom® range, Marble Rush® and eco-friendly toys. At LeapFrog, higher sales of eco-friendly toys were offset by lower sales of infant, toddler and preschool products, LeapLand Adventures™ and Magic Adventures™ Microscope.

In platform products, lower sales of KidiZoom Smartwatches, Touch & Learn Activity Desk™ and KidiBuzz™ led to an overall decrease in sales of VTech platform products. Sales of LeapFrog platform products also declined, as those of children's educational tablets, interactive reading systems and Magic Adventures Globe all decreased. Subscription revenue from LeapFrog Academy™ was also lower.

[1] Circana, Retail Tracking Service. Ranking based on total retail sales of VTech and LeapFrog products in the combined toy categories of early electronic learning, toddler figure and playset, walker, electronic entertainment (excluding tablets) and preschool electronic learning for the calendar year ended September 2023

Many innovative new products were launched during the period to strengthen the VTech standalone products ranges. Core learning products in the baby, infant, toddler and preschool categories saw a number of additions. The new Storytime with Sunny™ and Style & Glam On Unicorn™ bring a variety of learning activities to younger children, while introductions in the baby category included four new products, namely 6-in-1 Tunnel of Fun™, Snuggle & Discover Baby Whale™, Prop & Play Tummy Time Pillow™ and 2-in-1 Roll & Discover Roller Drum™. A completely revamped Go! Go! Smart range was introduced, offering new playsets and vehicles, as well as new products carrying the popular licensed character CoComelon. The Switch & Go Dinos line was boosted by new dinosaur models and more eggs that "hatch" into different dinosaurs.

At LeapFrog, the award-winning Magic Adventures line built on its success with the launch of Magic Adventures Telescope. Featuring 110-times zoom and more than 100 interactive videos and images, courtesy of NASA, it allows children to develop their STEAM (science, technology, engineering, the arts and mathematics) skills and make discoveries about the universe. LeapFrog's range of core learning products was strengthened with new role-play toys that introduce important early learning skills, including Build-a-Slice Pizza Cart™, Rainbow Tea for Two™ and Spin & Change Apple Shape Sorter™. The range of eco-friendly toys also expanded, with the addition of three new wooden toys that blend VTech learning technology with 100% FSC-certified wood.

During the first six months of the financial year 2024, the Group's ELPs again won numerous awards and recommendations from toy and parenting industry experts, key retailers and toy advisory boards in both the US and Canada. VTech Drill & Learn Workbench™ was named to Walmart's "2023 Top Toys List" in the US, while Storytime with Sunny was included in Walmart Canada's "Top Toy List for 2023". Switch & Go 3-in-1 Rescue Rex and LeapFrog Touch & Learn Wooden Activity Cube™ made *The Toy Insider's* 2023 "Hot 20" list, while Magic Adventures Telescope was included in its "STEM 10" list. Marble Rush Tip & Swirl Set™ was named to The Toy Association's "Summer Learning STEAM Toy" list.

TEL products revenue in North America fell by 16.1% to US$103.9 million, with declines for residential phones, commercial phones and other telecommunication products.

Sales of residential phones fell because the market contraction continued during the period. In addition, shelf space reduction at a major retailer in the US resulted in lower sales of AT&T branded phones. During the period, the Group maintained its leadership position in the residential phone market in the US[2].

In commercial phones, higher sales of hotel phones and Snom branded SIP (Session Initiation Protocol) phones were insufficient to offset declines for headsets and multi-line analogue phones. Sales of hotel phones rose as the market in the US continued its post-pandemic recovery. Demand for SIP phones increased after the Group successfully revitalised its go-to-market strategy for these products. Headsets, however, were affected by reduced orders from a customer, while sales of multi-line analogue phones decreased as the products made the transition to a new generation.

For other telecommunication products, sales of the Group's popular range of baby monitors held stable, although consumers were becoming more price sensitive. However, decreases in CareLine® residential phones and IADs (integrated access devices) resulted in an overall sales decline for other telecommunication products. VTech achieved an important breakthrough with the launch of the V-Care VC2105 Smart Baby Monitor in September 2023. Harnessing unique AI (artificial intelligence) capabilities, the over-the-crib Wi-Fi video monitor provides sleep analytics and real-time alerts, while allowing parents to watch over their baby at home on a 5-inch, HD (high-definition) display or remotely on their smartphone.

In the first six months of the financial year 2024, the Group maintained its number one position in the baby monitor market in the US and Canada[3]. During the same period, LeapFrog's LF2936FHD Baby Monitor was named "Touch Screen Monitor Product of the Year" in the "2023 Baby Innovation Awards".

---

[2] MarketWise Consumer Insights, LLC, April 2023 to September 2023

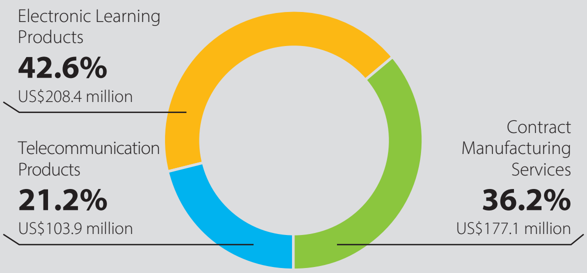
[3] Circana/Retail Tracking Service, US and Canada, VTech and LeapFrog brands combined, based on dollars and units, April 2023 – September 2023 combined vs April 2022 – September 2022 combined

CMS revenue in North America grew by 26.4% to US$177.1 million as improved materials supply enabled VTech to clear a backlog of orders from customers. Growth in professional audio equipment and IoT (Internet-of-Things) products offset declines in industrial products, solid-state lighting and communication products. As a result, VTech maintained its position as the world's number one contract manufacturer of professional audio equipment in the calendar year 2022[4].

Professional audio equipment saw higher sales of power amplifiers, professional loudspeakers and wireless microphones. In addition to the boost from the improved supply of materials, successful new product launches by a customer bolstered growth. In IoT products, a new customer was acquired in the field of smart home control systems, with sales starting to make a contribution during the period. Industrial products sales were down as customers faced over-inventory. Solid-state lighting sales declined as market demand softened. Sales of communication products also trended down, as the customer's products reached the end of their life cycle.

During the period, VTech CMS received a "20 Years Partnership Award" from a US customer in the industrial products category.

Revenue in North America by Product Line
for the six months ended 30 September 2023



Total: US$489.4 million

Europe

Group revenue in Europe decreased by 0.4% to US$468.7 million in the first six months of the financial year 2024. Higher sales from CMS were insufficient to offset lower sales of ELPs and TEL products. Europe remained VTech's second largest market, accounting for 41.1% of Group revenue.

ELPs revenue in Europe fell by 8.2% to US$146.2 million. As in North America, the decrease was mainly attributable to lower shipments to customers of both standalone and platform products, following the advancement of shipments in the corresponding period of last year. Weaker sell-through and the depreciation of the euro and sterling against the US dollar during the period also contributed to the sales decline. Geographically, sales in France, the UK, Spain and the Netherlands decreased, offsetting growth in Germany. In the first nine months of the calendar year 2023, VTech remained the number one infant and toddler toys manufacturer in France, the UK, Germany and the Benelux countries. The Group also regained its number one position as the largest infant and toddler toys manufacturer in Spain[5].

In standalone products, both VTech and LeapFrog products reported sales declines. For VTech, higher sales of preschool products, electronic learning aids, Marble Rush and eco-friendly products were offset by lower sales of infant and toddler products, KidiZoom cameras and the Kidi line. For LeapFrog, Magic Adventures Microscope and eco-friendly toys saw sales increases, while the launch of Magic Adventures Telescope added to growth. These gains, however, were offset by declines in infant, toddler and preschool products, as well as the LeapLand Adventures range.

In platform products, the VTech and LeapFrog brands both experienced a decline. The decrease at VTech was largely due to lower sales of KidiZoom Smartwatches, children's educational tablets and the KidiCom® range of products. Sales of Touch & Learn Activity Desk held stable. For LeapFrog, lower sales of interactive reading systems and Magic Adventures Globe resulted in the overall decrease.

[4] *Music Trade Magazine*, September 2023
[5] Circana, Retail Tracking Service, January 2023 – September 2023

In the first six months of the financial year 2024, VTech was given the prestigious "Trophée de l'innovation (Innovation Trophy) 2002-2023" by a key customer in France. In addition, four VTech ELPs won "Grand Prix du Jouet 2023" awards from France's *La Revue du Jouet* magazine. The award-winning products were KissKiss, Mon toutou bisous (Kosy the Kissing Puppy) in the "Best Interactive Plush Toy" category, Switch & Go Combo – Trio, le méga T-Rex SOS 3 en 1 (3-in-1 Rescue Rex) in the "Best Transformable Vehicle" category, KidiSecrets Mon casier MagicLocker in the "Best Electronic Game" category and Genius XL – Télescope Vidéo Interactif (Magic Adventures Telescope) in the "Best Scientific Toy" category.

Revenue from TEL products in Europe decreased by 5.6% to US$43.7 million. Residential phones, commercial phones and other telecommunication products all saw declines.

In residential phones, sales of VTech branded phones grew as the Group expanded into France and Italy, while increasing sales in the UK and Germany. This growth was, however, offset by lower shipments to ODM (original design manufacturing) customers, as they experienced over-inventory during the period.

The decline in commercial phones was mainly due to lower sales of hotel phones and headsets. Sales of Snom branded SIP phones held stable. The more advanced D8 SIP desksets have been well-received by customers because of their HD LCD (liquid crystal) display, attractive aesthetics and superior quality, despite their higher price point. Meanwhile, the D7 series, which is positioned as a value product, was expanded further to meet market demand. As a result, the Snom brand now offers a complete range of SIP products from entry to premium level.

In contrast, sales of hotel phones declined, because keen competition made growth challenging despite a pick-up in the market as travel gradually returned to pre-pandemic levels. Distribution of hotel phones in the region was, however, strengthened by the addition of Snom Technology GmbH (Snom) as a distribution channel in continental Europe. Sales of headsets posted a decline as an ODM customer reduced orders.

For other telecommunication products, growth in baby monitors was insufficient to compensate for a drop in CareLine residential phones, CAT-iq (Cordless Advanced Technology – internet and quality) handsets and IADs.

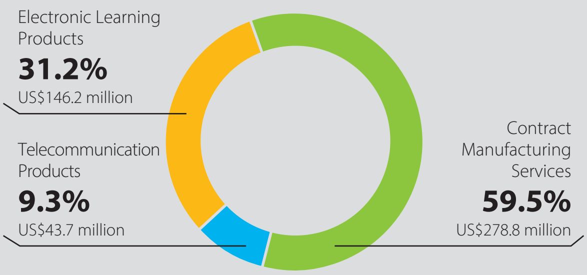
During the period, the Group's baby monitors and sleep trainers both gained recognition in the UK. For the VTech brand, there were awards for the RM7766HD and VM5463 baby monitors, as well as the BC8313 V-Hush™ Pro Soothing Sleep Trainer, in the "UKMUMS.tv Pre-school and Baby Awards 2023". At LeapFrog, the LF920HD and LF2936FHD baby monitors also gained UKMUMS.tv awards, while the LF815HD and LF1911 baby monitors picked up silver and gold respectively in the "Dadsnet Product Awards 2023".

CMS revenue in Europe rose by 5.3% to US$278.8 million, mainly driven by the improvement in the supply of materials. Higher sales of professional audio equipment, smart energy storage systems, communication products and medical and health products compensated for declines in hearables, IoT products and automotive products. Sales of home appliances remained stable.

Professional audio equipment saw growth in audio mixers as market demand continued to recover, offsetting a decline for home audio interface products. Smart energy storage systems benefited from production ramping up as materials supply improved, while communication products sales increased as the customer launched new Wi-Fi routers. Growth in medical and health products was driven by higher sales of hearing aids, as business activities continued to accelerate following the end of the pandemic. Sales of hearables declined as market demand returned to pre-pandemic levels. IoT products saw a decrease as the smart meters customer returned to a more normal sales pattern following earlier market share gains, while sales of internet connected thermostat and air-conditioning controls were little changed. Automotive products sales fell as the customer for EV (electric vehicle) chargers lost market share owing to increased competition and a delayed product launch. The Group added a new customer in the professional audio equipment category of USB streaming microphones for the professional gaming market, with hardware and software designed in-house by VTech CMS.

During the period, VTech CMS was named "Supplier of the Year" by an IoT product customer in Germany and won an "Outstanding Supplier Award" from a professional audio customer in the UK.

Revenue in Europe by Product Line
for the six months ended 30 September 2023



Total: US$468.7 million

Asia Pacific

Group revenue in Asia Pacific increased by 12.7% to US$171.5 million in the first six months of the financial year 2024, as higher sales of CMS offset lower sales of ELPs and TEL products. The region represented 15.0% of Group revenue.

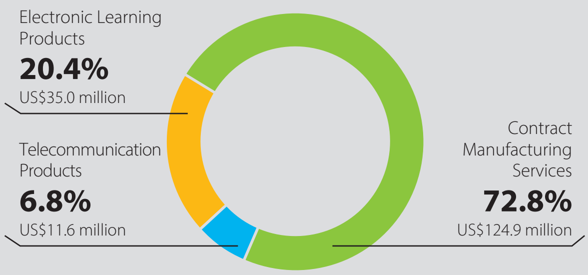
Revenue from ELPs in Asia Pacific decreased by 16.5% to US$35.0 million, as higher sales in mainland China were offset by declines in Australia and Japan. In mainland China, both online and offline channels posted sales increases. This was mainly due to the resumption of activities after the lifting of COVID restrictions. The resulting recovery in sales of core learning products drove the growth. In June, Magic Adventures Microscope was shortlisted for the Innovative Design Awards in the 2023 CBME (Children Baby Maternity Expo). Sales in Australia decreased, with both VTech and LeapFrog branded products reporting declines. This was mainly due to a weakening economy resulting from higher inflation and interest rates. During the first nine months of the calendar year 2023, VTech remained the number one manufacturer in the infant and toddler toys category[6] in the country. In Japan, sales declined owing to lower sell-through of the jointly developed smartwatches and a decrease in sales to a major toy retailer.

TEL products revenue in Asia Pacific declined by 16.5% to US$11.6 million, as lower sales in Japan and Hong Kong offset higher sales in Australia. In Japan, sales of residential phones were down as an ODM customer reduced orders due to over-inventory. In Hong Kong, lower sales of IADs and residential phones resulted in an overall sales decrease. In Australia, however, continued growth in baby monitors offset a sales decline for residential phones. In August, the Group's baby monitors picked up two "Bounty Baby Awards 2023". The VTech BM775HD Baby Monitor was named "Bronze Winner" in the "Best Baby Monitor" category, while LeapFrog's LF925HD Baby Monitor made the "Editors' Top 5 Picks".

CMS revenue in Asia Pacific increased by 29.6% to US$124.9 million, as growth in professional audio equipment offset a decline in communication products. Sales of medical and health products were stable.

Sales of professional audio equipment surged as orders for DJ equipment grew significantly owing to improved materials supply. VTech also benefited from market share gains and more new product launches by the customer. In medical and health products, orders of diagnostic ultrasound systems held stable. Lower communication products sales were the result of a customer losing market share due to increased competition, leading to a decrease in orders for marine radios.

Revenue in Asia Pacific by Product Line
for the six months ended 30 September 2023



Total: US$171.5 million

[6] Circana, Retail Tracking Service, January 2023 – September 2023

In light of the less favourable economic environment, Group revenue for the full financial year is now expected to show a slight decline. Profitability, however, remains on track to show improvement for the full year, as materials prices and freight charges trend down year-on-year.

Other Regions

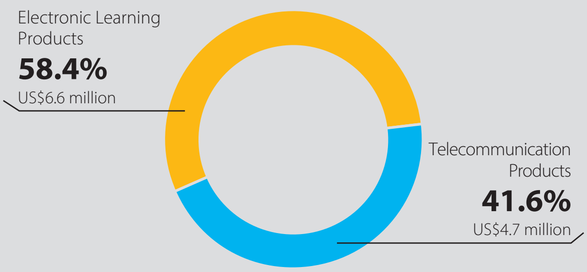
Group revenue in Other Regions, comprising Latin America, the Middle East and Africa, fell by 3.4% to US$11.3 million in the first six months of the financial year 2024. The decrease came as higher sales of ELPs were offset by lower sales of TEL products. Other Regions accounted for 1.0% of Group revenue.

ELPs revenue in Other Regions increased by 3.1% to US$6.6 million. Higher sales in Latin America and the Middle East offset lower sales in Africa.

TEL products revenue in Other Regions declined by 11.3% to US$4.7 million. The decline was attributable to lower sales in Latin America and the Middle East, which offset growth in Africa.

CMS revenue in Other Regions was immaterial in the first six months of the financial year 2024.

Revenue in Other Regions by Product Line
for the six months ended 30 September 2023



Total: US$11.3 million

Outlook

The wars in Ukraine and the Middle East, as well as the uncertainty in the global economy, are weighing on world markets. Energy costs are volatile and in the US and Europe, interest rates are forecast to remain high. Consumer spending and business investment are consequently being cut back. In markets outside the US, the strong US dollar continues to pressure retailers. More positively, the pressure on raw materials and critical components supplies, together with freight costs, has eased considerably in recent months.

In light of the less favourable economic environment, Group revenue for the full financial year is now expected to show a slight decline. Profitability, however, remains on track to show improvement for the full year, as materials prices and freight charges trend down year-on-year. To bolster profitability further, the Group will continue to exert strict control on inventory and operating expenses. Despite this, VTech will commit resources to advertising and promotions and exercise tight management to ensure good sell-through of products in the upcoming holiday seasons.

For ELPs, full year revenue is now expected to post a decline, even though second half sales will show improvement over the first half. Faced with higher living costs, price-sensitive consumers are delaying holiday season purchases in search of bargains. The ELPs business will, however, benefit from the re-organisation of the US operations that is now complete. The new leadership team that has been put in place will be able to monitor sell-through closely and react swiftly with appropriate advertising and promotions. This will maximise sales and ensure that VTech emerges from the holiday season with a healthy level of inventory.

As ever, an exciting array of new standalone and platform products will help drive sales, adding to the recent product launches already mentioned. Magic Adventures Telescope recently garnered one of the most prestigious consumer product awards, being named as one of *Time* magazine's "Best Inventions of 2023". The product has also been awarded "Best Toy of the Year 2023" by the Spanish Association of Toy Manufacturers and named one of the Belgian Toy Federation's "Toys and Games of the Year".

The second half will see introduction of the new KidiZoom Smartwatch MAX, the latest generation of this enduringly popular product range. It features a sleek and stylish design, with a landscape display that is the ideal fit for a child's wrist. Momentum will be further strengthened by the innovative Turbo Edge Riders™, a brand-new line of racing track sets that combines the excitement of car racing with creativity. Children can build and race through a stunt-filled course right out of the box and then expand it with repurposed shipping boxes and everyday objects to create even more epic courses.

Sales of TEL products are now forecast to be lower for the full financial year 2024. Residential phones sales in North America are anticipated to decrease for the full financial year, but in Europe the Group will benefit from the expansion of VTech branded products into new markets. In commercial phones, new product launches and the addition of Snom as a distribution channel in Europe will drive growth in hotel phones. Sales of Snom SIP phones are expected to be boosted by the new M500 series, a DECT (digital enhanced cordless telecommunications) based system that delivers superior mobility for medium-sized offices and businesses. For other telecommunication products, baby monitors will be the key driver. The new baby monitor with AI features is already on shelves in North America and VTech is increasing marketing efforts to maximise its exposure. The Group also plans to expand this range with different products offering additional features and to strengthen its go-to-market strategy.

CMS outperformed the global EMS (electronic manufacturing services) market in the first half and hence revenue for the full financial year is now expected to increase. Sales in the second half are, however, anticipated to slow down as the global economy is weakening. Customers are cautious about placing orders and are managing inventory tightly. Despite this, continued good performance is expected from professional audio equipment, hearing aids and smart energy storage systems. Orders from the new customer for smart home control systems will continue to ramp up.

The rising geo-political uncertainties present significant challenges to global economic growth and hence to the sales outlook. VTech is in a strong position, however, with a solid balance sheet and reputable brands rooted in product innovation and operational excellence. We are therefore confident of successfully managing through these difficult times.

Allan Wong Chi Yun
Chairman

Hong Kong, 15 November 2023

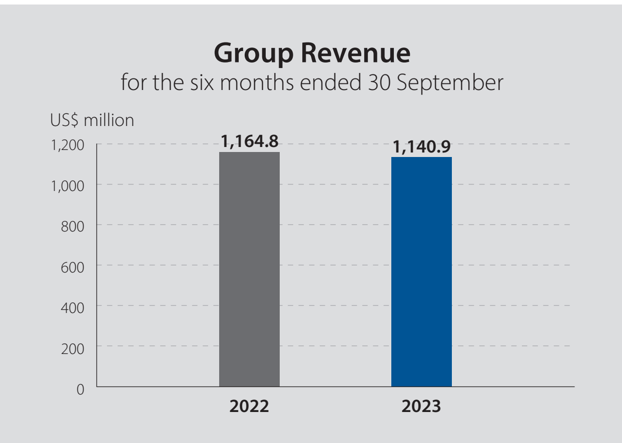
Financial Overview

	Six months ended 30 September 2023 US$ million	2022 US$ million	Change US$ million
Revenue	**1,140.9**	1,164.8	(23.9)
Gross profit	**325.5**	329.4	(3.9)
Gross profit margin	**28.5%**	28.3%	
Other net (expenses)/income	**(0.4)**	1.2	(1.6)
Total operating expenses	**(214.8)**	(231.6)	16.8
Total operating expenses as a percentage of revenue	**18.8%**	19.9%	
Operating profit	**110.3**	99.0	11.3
Operating profit margin	**9.7%**	8.5%	
Net finance expense	**(3.0)**	(5.7)	2.7
Share of results of an associate	**–**	–	–
Profit before taxation	**107.3**	93.3	14.0
Taxation	**(13.7)**	(11.3)	(2.4)
Effective tax rate	**12.8%**	12.1%	
Profit for the period and attributable to shareholders of the Company	**93.6**	82.0	11.6

Revenue

Group revenue for the six months ended 30 September 2023 decreased by 2.1% to US$1,140.9 million as compared with the same period of the previous financial year of US$1,164.8 million. The decrease in revenue was largely driven by the decrease in revenue in North America, Europe and Other Regions, which offset the higher sales in Asia Pacific.

	Six months ended 30 September 2023 US$ million	%	Six months ended 30 September 2022 US$ million	%	Increase/(decrease) US$ million	%
North America	**489.4**	**42.9%**	530.5	45.5%	(41.1)	(7.7%)
Europe	**468.7**	**41.1%**	470.4	40.4%	(1.7)	(0.4%)
Asia Pacific	**171.5**	**15.0%**	152.2	13.1%	19.3	12.7%
Other Regions	**11.3**	**1.0%**	11.7	1.0%	(0.4)	(3.4%)
	1,140.9	**100.0%**	1,164.8	100.0%	(23.9)	(2.1%)



Gross Profit/Margin

Gross profit for the six months ended 30 September 2023 was US$325.5 million, a decrease of US$3.9 million or 1.2% compared with the same period last year. Gross profit margin for the period increased from 28.3% to 28.5%. It was mainly due to the decreases in freight charges and inventory provisions, as well as the lower direct labour costs and manufacturing overheads arising from the depreciation of Renminbi against the US dollar and reduction in number of workers compared with the same period last year. These offset the negative impacts of higher cost of materials as percentage of Group revenue resulting from the change in the product mix despite the decline in material prices, as well as the depreciation of foreign currencies against the US dollar.

Operating Profit/Margin

Operating profit for the six months ended 30 September 2023 was US$110.3 million, an increase of US$11.3 million or 11.4% compared with the same period of the previous financial year. Operating profit margin also increased from 8.5% to 9.7%. The improvement in both operating profit and operating profit margin was mainly due to the increase in gross profit margin. The Group invests in an investment holding company which has a shareholding in a listed entity that designs and distributes integrated circuit products (the "Investment"). Other net income included a fair value loss of US$0.4 million on the Investment, as compared with a fair value loss of US$0.8 million in the same period last year. Operating profit for the six months ended 30 September 2022 also included government subsidies of US$2.0 million in response to COVID-19.

Total operating expenses decreased from US$231.6 million to US$214.8 million compared with the same period last year. Total operating expenses as a percentage of Group revenue also decreased from 19.9% to 18.8%.

Selling and distribution costs decreased from US$150.7 million to US$133.1 million, a decrease of 11.7% compared with the same period last year. It was mainly attributable to the decreased spending on advertising and promotional activities and the reduction of distribution costs. As a percentage of Group revenue, selling and distribution costs decreased from 12.9% to 11.7%.

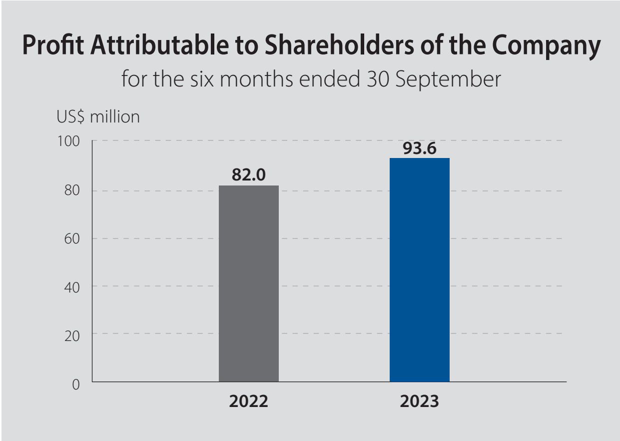
Administrative and other operating expenses increased from US$38.6 million to US$39.7 million, an increase of 2.8% compared with the same period last year. Administrative and other operating expenses as a percentage of Group revenue increased from 3.3% to 3.5%.

During the first half of the financial year 2024, the research and development expenses were US$42.0 million, a decrease of 0.7% compared with the same period last year. It was mainly attributable to lower project expenses and employee related costs. Research and development expenses as a percentage of Group revenue also increased from 3.6% to 3.7%.

Profit Attributable to Shareholders and Earnings per Share

Profit attributable to shareholders of the Company for the six months ended 30 September 2023 was US$93.6 million, an increase of US$11.6 million or 14.1% compared with the same period last year. Net profit margin also increased from 7.0% to 8.2%.

Basic earnings per share for the six months ended 30 September 2023 were US37.0 cents as compared to US32.5 cents in the first half of the previous financial year.



Dividends

Since the end of the relevant financial period, the directors of the Company (the "Directors") have declared an interim dividend of US17.0 cents per share, which is estimated to be US$43.0 million.

Liquidity and Financial Resources

The Group's financial resources remain strong and was debt-free. As at 30 September 2023, the Group had deposits and cash of US$108.5 million, an increase of US$98.4 million as compared with a net cash balance of US$10.1 million, including deposits and cash of US$103.3 million and bank loans of US$93.2 million, as of 30 September 2022. The increase in net cash balance was mainly driven by the higher net cash generated from operating activities. In addition, the negative impact of unfavourable foreign currency exchange movements on the Group's net assets as a result of the depreciation of foreign currencies against United States Dollar was lower than the same period last year. Furthermore, lower dividend payment compared with the same period of last year also contributed to the increase in net cash balance. The Group has adequate liquidity to meet its current and future working capital requirements.

Working Capital

Stocks as of 30 September 2023 were US$432.0 million, decreased from US$475.5 million as of 31 March 2023 with turnover days of 128 days. The lower stock level was mainly due to decrease in raw materials in view of the more stable supply of critical components. As compared with the corresponding period of last financial year, stocks decreased by US$138.0 million or 24.2%, and turnover days also decreased from 140 days to 120 days. The lower stock level was mainly due to the decrease in raw materials and finished goods as the supply constraints had eased compared with the same period last year.

Trade debtors as of 30 September 2023 were US$451.7 million, increased from US$277.2 million as of 31 March 2023 with turnover days of 59 days. This was mainly due to the seasonal nature of most of the Group's businesses. As compared with the corresponding period of last financial year, trade debtors decreased by US$35.7 million or 7.3%, and turnover days also decreased from 62 days to 60 days.

Trade creditors as of 30 September 2023 were US$273.2 million, increased from US$252.3 million as of 31 March 2023 with turnover days of 102 days. As compared to the corresponding period of last financial year, trade creditors decreased by US$83.7 million or 23.5%, and turnover days also decreased from 108 days to 87 days. The decrease in trade creditors was mainly due to the decrease in purchase of raw materials compared with the same period last year.

Treasury Policies

The Group's treasury policies are designed to mitigate the impact of fluctuations in foreign currency exchange rates arising from the Group's global operations. The Group principally uses forward foreign exchange contracts as appropriate to hedge the foreign exchange risks in the ordinary course of business. It is the Group's policy not to enter into derivative transactions for speculative purposes.

Capital Expenditure and Contingencies

For the six months ended 30 September 2023, the Group invested US$18.5 million in the purchase of tangible assets including machinery and equipment, leasehold improvements, office equipment, as well as the improvement of manufacturing working environment.

All of these capital expenditures were financed from internal resources.

As of 30 September 2023, the Group had no material contingencies.

Consolidated Statement of Profit or Loss

For the six months ended 30 September 2023

	Note	Six months ended 30 September 2023 (Unaudited) US$ million	2022 (Unaudited) US$ million	Year ended 31 March 2023 (Audited) US$ million
Revenue	3	**1,140.9**	1,164.8	2,241.7
Cost of sales		**(815.4)**	(835.4)	(1,608.0)
Gross profit		**325.5**	329.4	633.7
Other net (expenses)/income	4	**(0.4)**	1.2	1.7
Selling and distribution costs		**(133.1)**	(150.7)	(294.0)
Administrative and other operating expenses		**(39.7)**	(38.6)	(77.6)
Research and development expenses		**(42.0)**	(42.3)	(83.3)
Operating profit	3(b)	**110.3**	99.0	180.5
Net finance expense	4	**(3.0)**	(5.7)	(12.0)
Share of results of an associate		**–**	–	–
Profit before taxation	4	**107.3**	93.3	168.5
Taxation	5	**(13.7)**	(11.3)	(19.3)
Profit for the period/year and attributable to shareholders of the Company		**93.6**	82.0	149.2
Earnings per share (US cents)	7			
– Basic		**37.0**	32.5	59.1
– Diluted		**37.0**	32.5	59.1

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2023

	Six months ended 30 September 2023 (Unaudited) US$ million	2022 (Unaudited) US$ million	Year ended 31 March 2023 (Audited) US$ million
Profit for the period/year	**93.6**	82.0	149.2
Other comprehensive income for the period/year			
Item that will not be reclassified to profit or loss:			
Effect of remeasurement of net assets on defined benefit scheme, net of deferred tax	**–**	–	(2.0)
	–	–	(2.0)
Items that may be reclassified subsequently to profit or loss:			
Fair value gains/(losses) on hedging, net of deferred tax	**2.3**	(6.7)	0.4
Realisation of hedging reserve, net of deferred tax	**1.0**	(0.8)	(2.5)
Exchange translation differences	**(15.5)**	(41.5)	(20.5)
	(12.2)	(49.0)	(22.6)
Other comprehensive income for the period/year	**(12.2)**	(49.0)	(24.6)
Total comprehensive income for the period/year	**81.4**	33.0	124.6

The notes on pages 15 to 32 form part of this Interim Financial Report. Details of dividends payable to shareholders of the Company attributable to the profit for the period are set out in note 6.

Consolidated Statement of Financial Position

As at 30 September 2023

	Note	30 September 2023 (Unaudited) US$ million	30 September 2022 (Unaudited) US$ million	31 March 2023 (Audited) US$ million
Non-current assets				
Tangible assets	8	**72.4**	77.7	74.9
Right-of-use assets		**148.8**	164.1	162.8
Intangible assets		**15.0**	15.7	15.3
Goodwill		**36.1**	36.1	36.1
Interest in an associate		**3.8**	3.8	3.8
Investments		**1.5**	1.4	1.9
Net assets on defined benefit scheme		**5.6**	7.4	5.6
Deferred tax assets		**10.4**	13.0	9.2
		293.6	319.2	309.6
Current assets				
Stocks	9	**432.0**	570.0	475.5
Debtors, deposits and prepayments	10	**516.8**	549.0	324.3
Taxation recoverable		**4.3**	5.8	10.5
Deposits and cash		**108.5**	103.3	198.5
		1,061.6	1,228.1	1,008.8
Current liabilities				
Creditors and accruals	11	**(537.5)**	(644.5)	(468.5)
Provisions for defective goods returns and other liabilities		**(25.2)**	(28.3)	(25.6)
Bank loans		**–**	(93.2)	–
Lease liabilities		**(17.0)**	(15.2)	(16.6)
Taxation payable		**(13.0)**	(13.4)	(6.5)
		(592.7)	(794.6)	(517.2)
Net current assets		**468.9**	433.5	491.6
Total assets less current liabilities		**762.5**	752.7	801.2
Non-current liabilities				
Deferred tax liabilities		**(3.8)**	(3.4)	(3.2)
Lease liabilities		**(149.0)**	(164.1)	(163.3)
		(152.8)	(167.5)	(166.5)
Net assets		**609.7**	585.2	634.7
Capital and reserves				
Share capital	12(a)	**12.6**	12.6	12.6
Reserves		**597.1**	572.6	622.1
Total equity		**609.7**	585.2	634.7

The notes on pages 15 to 32 form part of this Interim Financial Report.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	Six months ended 30 September 2023 (Unaudited) US$ million	2022 (Unaudited) US$ million	Year ended 31 March 2023 (Audited) US$ million
Operating activities			
Cash generated from operations	**63.0**	19.0	276.1
Interest received/(paid)	**0.9**	(1.7)	(4.1)
Interest on lease liabilities	**(3.9)**	(4.0)	(7.9)
Taxes paid	**(5.6)**	(9.5)	(25.3)
Net cash generated from operating activities	**54.4**	3.8	238.8
Investing activities			
Purchase of tangible assets	**(18.5)**	(16.1)	(27.9)
Proceeds from disposal of tangible assets	**0.4**	0.5	0.4
Net cash used in investing activities	**(18.1)**	(15.6)	(27.5)
Financing activities			
Capital element of lease rentals paid	**(9.0)**	(9.3)	(18.8)
Dividends paid	**(106.2)**	(128.9)	(171.8)
Proceeds from bank loans	**–**	93.2	–
Other cash flows arising from financing activities	**(2.0)**	0.1	(0.6)
Net cash used in financing activities	**(117.2)**	(44.9)	(191.2)
Effect of exchange rate changes	**(9.1)**	(35.8)	(17.4)
(Decrease)/increase in cash and cash equivalents	**(90.0)**	(92.5)	2.7
Cash and cash equivalents at the beginning of period/year	**198.5**	195.8	195.8
Cash and cash equivalents at the end of period/year	**108.5**	103.3	198.5

The notes on pages 15 to 32 form part of this Interim Financial Report.

Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023 – unaudited

		Attributable to shareholders of the Company							
	Note	Share capital US$ million	Share premium US$ million	Shares held for Share Award Scheme US$ million	Exchange reserve US$ million	Capital reserve US$ million	Hedging reserve US$ million	Revenue reserve US$ million	Total equity US$ million
At 1 April 2023		12.6	163.3	(0.1)	(31.8)	0.7	0.9	489.1	634.7
Changes in equity for the six months ended 30 September 2023									
Comprehensive income									
Profit for the period		–	–	–	–	–	–	93.6	93.6
Other comprehensive income									
Fair value gain on hedging, net of deferred tax		–	–	–	–	–	2.3	–	2.3
Realisation of hedging reserve, net of deferred tax		–	–	–	–	–	1.0	–	1.0
Exchange translation differences		–	–	–	(15.5)	–	–	–	(15.5)
Other comprehensive income for the period		–	–	–	(15.5)	–	3.3	–	(12.2)
Total comprehensive income for the period		–	–	–	(15.5)	–	3.3	93.6	81.4
Dividends approved and paid during the period	6(b)	–	–	–	–	–	–	(106.2)	(106.2)
Equity-settled share-based payments:									
Share Option Scheme	12(b)	–	–	–	–	0.1	–	–	0.1
Shares issued under Share Award Scheme	12(c)	–	1.1	(1.1)	–	–	–	–	–
Shares purchased for Share Award Scheme	12(c)	–	–	(2.0)	–	–	–	–	(2.0)
Vesting of shares of Share Award Scheme	12(c)	–	–	1.7	–	–	–	–	1.7
At 30 September 2023		**12.6**	**164.4**	**(1.5)**	**(47.3)**	**0.8**	**4.2**	**476.5**	**609.7**
At 1 April 2022		12.6	160.8	(0.3)	(11.3)	0.3	3.0	513.7	678.8
Changes in equity for the six months ended 30 September 2022									
Comprehensive income									
Profit for the period		–	–	–	–	–	–	82.0	82.0
Other comprehensive income									
Fair value loss on hedging, net of deferred tax		–	–	–	–	–	(6.7)	–	(6.7)
Realisation of hedging reserve, net of deferred tax		–	–	–	–	–	(0.8)	–	(0.8)
Exchange translation differences		–	–	–	(41.5)	–	–	–	(41.5)
Other comprehensive income for the period		–	–	–	(41.5)	–	(7.5)	–	(49.0)
Total comprehensive income for the period		–	–	–	(41.5)	–	(7.5)	82.0	33.0
Dividends approved and paid during the period	6(b)	–	–	–	–	–	–	(128.9)	(128.9)
Equity-settled share-based payments:									
Share Option Scheme	12(b)	–	–	–	–	0.2	–	–	0.2
Shares issued under Share Option Scheme	12(b)	–	0.9	–	–	–	–	–	0.9
Shares issued under Share Award Scheme	12(c)	–	1.6	(1.6)	–	–	–	–	–
Shares purchased for Share Award Scheme	12(c)	–	–	(0.8)	–	–	–	–	(0.8)
Vesting of shares of Share Award Scheme	12(c)	–	–	2.0	–	–	–	–	2.0
At 30 September 2022		12.6	163.3	(0.7)	(52.8)	0.5	(4.5)	466.8	585.2

The notes on pages 15 to 32 form part of this Interim Financial Report.

Notes to the Unaudited Interim Financial Report

1 Basis of Preparation

The Directors are responsible for preparing the Interim Financial Report in accordance with applicable law and regulations. This unaudited Interim Financial Report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") including compliance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (the "IASB"). It was authorised for issue on 15 November 2023.

The Interim Financial Report has been prepared in accordance with the same accounting policies adopted in the 2023 annual consolidated financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual consolidated financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an Interim Financial Report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The Interim Financial Report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual consolidated financial statements. The condensed consolidated interim financial statements and notes thereto do not include all of the information required for a full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs").

The Interim Financial Report has not been audited or reviewed by the auditors pursuant to International Standards on Auditing or International Standards on Review Engagements.

The financial information relating to the financial year ended 31 March 2023 that is included in the Interim Financial Report as comparative information does not constitute the Company's annual consolidated financial statements for that financial year but is derived from those financial statements. The annual consolidated financial statements for the year ended 31 March 2023 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 17 May 2023.

2 Changes in Accounting Policies

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this Interim Financial Report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 Changes in Accounting Policies (Continued)

(a) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Government of the Hong Kong SAR (the "Government") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance"), which will eventually abolish the statutory right of an employer to reduce its long service payment ("LSP") and severance payment payable to a Hong Kong employee by drawing on its mandatory contributions to the mandatory provident fund ("MPF") scheme (also known as the "offsetting mechanism"). The Government has subsequently announced that the Amendment Ordinance will come into effect from 1 May 2025 (the "Transition Date"). Separately, the Government is also expected to introduce a subsidy scheme to assist employers after the abolition.

Among other things, once the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from its mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

The management has commenced the processes on implementing the change including additional data collection and impact assessment. However, the impact of the change is not reasonably estimable at the time this interim financial report is authorised for issue, as the Group has yet to fully complete its assessment of the impact of the HKICPA guidance.

3 Revenue and Segment Information

(a) Revenue

The principal activity of the Group is design, manufacture and distribution of consumer electronic products. All revenue of the Group is from contracts with customers within the scope of IFRS 15 and recognised at a point in time.

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products and regions is as follows:

Six months ended 30 September 2023	**North America (Unaudited) US$ million**	**Europe (Unaudited) US$ million**	**Asia Pacific (Unaudited) US$ million**	**Other Regions (Unaudited) US$ million**	**Total (Unaudited) US$ million**
Electronic Learning Products	**208.4**	**146.2**	**35.0**	**6.6**	**396.2**
Telecommunication Products	**103.9**	**43.7**	**11.6**	**4.7**	**163.9**
Contract Manufacturing Services	**177.1**	**278.8**	**124.9**	**–**	**580.8**
Total	**489.4**	**468.7**	**171.5**	**11.3**	**1,140.9**

Six months ended 30 September 2022	North America (Unaudited) US$ million	Europe (Unaudited) US$ million	Asia Pacific (Unaudited) US$ million	Other Regions (Unaudited) US$ million	Total (Unaudited) US$ million
Electronic Learning Products	266.5	159.3	41.9	6.4	474.1
Telecommunication Products	123.9	46.3	13.9	5.3	189.4
Contract Manufacturing Services	140.1	264.8	96.4	–	501.3
Total	530.5	470.4	152.2	11.7	1,164.8

(b) Segment Information

The Group manages its businesses by divisions, which are organised by geography. In accordance with IFRS 8, *Operating segments* and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments:

- North America (including the United States and Canada)
- Europe
- Asia Pacific
- Other Regions, which covers sales of electronic products to the rest of the world

The Company is domiciled in Bermuda. The results of its revenue from external customers located in North America, Europe, Asia Pacific and elsewhere are set out in the table below.

Each of the above reportable segments primarily derives its revenue from the sale of electronic learning products, telecommunication products and products from contract manufacturing services to customers in the relevant geographical region.

All of these products are manufactured in the Group's manufacturing facilities located in the People's Republic of China and Malaysia under the Asia Pacific segment and Mexico under North America segment.

3 Revenue and Segment Information (Continued)

(b) Segment Information (Continued)

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results and assets attributable to each reportable segment on the following bases:

(i) Segment revenues and results

Revenue is allocated to the reportable segments based on the location of external customers. Expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those geographical locations or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is operating profit.

In addition to receiving segment information concerning operating profit, management is provided with segment information concerning revenue and depreciation and amortisation.

(ii) Segment assets and liabilities

Segment assets include all non-current assets and current assets with the exception of deferred tax assets, taxation recoverable and other corporate assets including intangible assets, goodwill, investments and interest in an associate.

Segment liabilities include creditors and accruals, provisions for defective goods returns and other liabilities, bank loans and lease liabilities with the exception of taxation payable and deferred tax liabilities.

Segment information regarding the Group's revenue, results, assets and liabilities by geographical market is presented below:

	Reportable segment revenue Six months ended 30 September		**Reportable segment profit Six months ended 30 September**	
	2023 (Unaudited) US$ million	2022 (Unaudited) US$ million	**2023 (Unaudited) US$ million**	2022 (Unaudited) US$ million
North America	**489.4**	530.5	**48.5**	47.7
Europe	**468.7**	470.4	**40.9**	31.3
Asia Pacific	**171.5**	152.2	**18.4**	17.5
Other Regions	**11.3**	11.7	**2.5**	2.5
	1,140.9	1,164.8	**110.3**	99.0

	Reportable segment assets		**Reportable segment liabilities**	
	30 September 2023 (Unaudited) US$ million	31 March 2023 (Audited) US$ million	**30 September 2023 (Unaudited) US$ million**	31 March 2023 (Audited) US$ million
North America	**167.2**	163.8	**(104.5)**	(89.2)
Europe	**233.5**	108.4	**(51.1)**	(26.5)
Asia Pacific	**883.4**	969.4	**(573.1)**	(558.3)
Other Regions	**–**	–	**–**	–
	1,284.1	1,241.6	**(728.7)**	(674.0)

3 Revenue and Segment Information (Continued)

(b) Segment Information (Continued)

(iii) Reconciliations of reportable segment assets and liabilities

	30 September 2023 (Unaudited) US$ million	31 March 2023 (Audited) US$ million
Assets		
Reportable segment assets	**1,284.1**	1,241.6
Intangible assets	**15.0**	15.3
Goodwill	**36.1**	36.1
Interest in an associate	**3.8**	3.8
Investments	**1.5**	1.9
Taxation recoverable	**4.3**	10.5
Deferred tax assets	**10.4**	9.2
Consolidated total assets	**1,355.2**	1,318.4
Liabilities		
Reportable segment liabilities	**(728.7)**	(674.0)
Taxation payable	**(13.0)**	(6.5)
Deferred tax liabilities	**(3.8)**	(3.2)
Consolidated total liabilities	**(745.5)**	(683.7)

4 Profit before Taxation

Profit before taxation is arrived at after charging/(crediting) the following:

	Six months ended 30 September 2023 (Unaudited) US$ million	2022 (Unaudited) US$ million
Cost of inventories	**815.4**	835.4
Fair value loss on investments measured at fair value through profit or loss *(Notes i & ii)*	**0.4**	0.8
Government subsidies *(Note i)*	**–**	(2.0)
Depreciation of tangible assets	**16.8**	17.8
Depreciation of right-of-use assets	**10.7**	10.4
Amortisation of intangible assets	**0.3**	0.3
Write-down of inventories, net of reversals	**4.9**	10.8
Loss allowance for trade debtors	**0.5**	0.5
Reversal of loss allowance for trade debtors	**(0.5)**	(0.2)
Interest on lease liabilities *(Note iii)*	**3.9**	4.0
Other interest (income)/expenses, net *(Note iii)*	**(0.9)**	1.7
Net foreign exchange loss	**0.5**	1.3

Notes:

(i) Included in other net (expenses)/income in the Consolidated Statement of Profit or Loss.

(ii) The Group invests in an investment holding company which has a shareholding in a listed entity that designs and distributes integrated circuit products (the "Investment"). A fair value loss of US$0.4 million (six months ended 30 September 2022: fair value loss of US$0.8 million) on the Investment relating to the unsold shareholding in the listed entity was recorded in the current period.

(iii) Included in net finance expense in the Consolidated Statement of Profit or Loss.

5 Taxation

	Six months ended 30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	US$ million	US$ million
Current tax		
– Hong Kong	**8.7**	7.1
– Overseas	**6.4**	6.7
Over-provision in respect of prior years		
– Overseas	**(0.5)**	(0.6)
Deferred tax		
– Origination and reversal of temporary differences	**(0.9)**	(1.9)
	13.7	11.3
Current tax	**14.6**	13.2
Deferred tax	**(0.9)**	(1.9)
	13.7	11.3

Provision for Hong Kong Profits Tax and overseas taxation has been calculated at the current rates of taxation prevailing in the jurisdiction in which the Group operates.

During the year ended 31 March 2023, the Inland Revenue Department of Hong Kong ("IRD") issued notices of additional assessment amounted to US$10.5 million for the year of assessment 2016/17 in connection with the tax treatment relating to contract processing arrangement in the PRC.

Having reviewed the merits of the additional tax assessments and taking into account legal advice received, the Directors have determined to strongly contest the additional assessments raised by the IRD. The Group has lodged objections against these additional tax assessments and has applied to hold over the additional tax demanded. The IRD has agreed to the holdover part of the additional tax demanded of US$5.8 million subject to the purchase of tax reserve certificates ("TRCs") and has agreed to hold over the remaining balance of US$4.7 million unconditionally. The purchase of TRCs do not prejudice the Group's tax position. No additional tax provision has been made during the six months ended 30 September 2023 in respect of the above additional tax assessments.

The Organisation for Economic Co-operation and Development ("OECD")/G20 Inclusive Framework on Base Erosion and Profit Shifting seeks to tackle tax avoidance, improve the coherence of international tax rules and ensure a more transparent tax environment. Global Anti-Base Erosion Model Rules (Pillar Two) ("BEPS 2.0") represents the first substantial overhaul of international tax rules in almost a century. It proposes mechanisms to ensure multi-national enterprises would pay a minimum level of tax with the rate of 15% on the income arising in each of the jurisdictions where they operate. The Group is closely monitoring the progress of the legislative process in each jurisdiction that the Group has operations. Based on currently available information, the implementation of BEPS 2.0 may have material adverse impact on the Group's effective tax rate and income tax expense in the future.

6 Dividends

(a) Dividend attributable to the period:

	Six months ended 30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	US$ million	US$ million
Interim dividend of US17.0 cents (2022: US17.0 cents) per share declared	**43.0**	43.0

The interim dividend was proposed after the end of the relevant financial period and has not been recognised as a liability at the end of the relevant financial period.

(b) At a meeting held on 17 May 2023, the Directors proposed a final dividend of US42.0 cents (2022: US51.0 cents) per ordinary share for the year ended 31 March 2023, which was estimated to be US$106.1 million at the time calculated on the basis of the ordinary shares in issue as at 31 March 2023. The final dividend was approved by shareholders at the annual general meeting on 19 July 2023. The final dividend paid in respect of the year ended 31 March 2023 totaled US$106.2 million (2022: US$128.9 million).

7 Earnings per Share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to shareholders of the Company of US$93.6 million (2022: US$82.0 million).

The calculation of basic earnings per share is based on the weighted average of 252.6 million (2022: 252.5 million) ordinary shares in issue during the period after adjusting for shares held for Share Award Scheme.

No material adjustment has been made to the basic earnings per share presented for the periods ended 30 September 2022 and 30 September 2023 as the Company did not have any significant dilutive potential ordinary shares during the periods.

8 Tangible Assets

During the six months ended 30 September 2023, the Group acquired items of tangible assets with cost of US$18.5 million (six months ended 30 September 2022: US$16.1 million).

9 Stocks

Stocks in the consolidated statement of financial position at 30 September 2023 comprised mainly finished goods of US$238.3 million (31 March 2023: US$245.2 million, 30 September 2022: US$338.6 million).

10 Debtors, Deposits and Prepayments

Debtors, deposits and prepayments of US$516.8 million (31 March 2023: US$324.3 million, 30 September 2022: US$549.0 million) include trade debtors of US$451.7 million (31 March 2023: US$277.2 million, 30 September 2022: US$487.4 million).

An ageing analysis of trade debtors, based on the invoice date and net of allowance, is as follows:

	30 September 2023 (Unaudited) US$ million	31 March 2023 (Audited) US$ million
0-30 days	**257.9**	155.8
31-60 days	**148.0**	98.6
61-90 days	**36.0**	15.8
>90 days	**9.8**	7.0
Total	**451.7**	277.2

The majority of the Group's sales are on letters of credit and on open credit with varying terms of 30 to 90 days. Certain open credit sales are covered by credit insurance or bank guarantees.

11 Creditors and Accruals

Creditors and accruals of US$537.5 million (31 March 2023: US$468.5 million, 30 September 2022: US$644.5 million) include trade creditors of US$273.2 million (31 March 2023: US$252.3 million, 30 September 2022: US$356.9 million).

	30 September 2023 (Unaudited) US$ million	31 March 2023 (Audited) US$ million
Trade creditors	**273.2**	252.3
Contract liabilities	**20.4**	6.0
Other creditors and accruals	**236.9**	205.8
Forward foreign exchange contracts held as cash flow hedging instruments	**7.0**	4.4
	537.5	468.5

An ageing analysis of trade creditors by invoice date is as follows:

	30 September 2023 (Unaudited) US$ million	31 March 2023 (Audited) US$ million
0-30 days	**82.1**	74.9
31-60 days	**75.1**	68.4
61-90 days	**62.2**	38.4
>90 days	**53.8**	70.6
Total	**273.2**	252.3

12 Share Capital, Share Option Scheme and Share Award Scheme

(a) Share Capital

	30 September 2023 (Unaudited) US$ million	31 March 2023 (Audited) US$ million
Authorised		
Ordinary shares: 400,000,000 (31 March 2023: 400,000,000) of US$0.05 each	**20.0**	20.0

	30 September 2023 (Unaudited)		31 March 2023 (Audited)	
	No. of shares	**US$ million**	No. of shares	US$ million
Issued and fully paid				
Ordinary shares of US$0.05 each:				
At the beginning of the period/year	**252,702,466**	**12.6**	252,379,133	12.6
Exercise of share options under the Share Option Scheme	**–**	**–**	123,333	–
Issue of new shares under general mandate pursuant to the Share Award Scheme	**180,000**	**–**	200,000	–
At the end of the period/year	**252,882,466**	**12.6**	252,702,466	12.6

(b) Share Option Scheme

The Company adopted a share option scheme (the "2021 Share Option Scheme") on 13 July 2021. To bring the terms of the 2021 Share Option Scheme in line with the amended Chapter 17 of the Listing Rules, the Company sought and obtained the approval from the shareholders at the annual general meeting of the Company held on 19 July 2023 (the "Adoption Date") to make certain amendments to the 2021 Share Option Scheme and to adopt the amended share option scheme (the "2023 Share Option Scheme"). Following the adoption of the 2023 Share Option Scheme, the 2021 Share Option Scheme has been superseded. While no further options may be granted pursuant to the 2021 Share Option Scheme, any outstanding options granted thereunder prior to the Adoption Date remain valid and are subject to the provisions of the 2021 Share Option Scheme in force as at the relevant grant date(s) of such options. For the purpose of this note, references to the Share Option Scheme refer to the 2021 Share Option Scheme and/or 2023 Share Option Scheme, as the context requires.

A summary of the Share Option Scheme is set out below:

(i) Purpose

The purposes of the Share Option Scheme are (i) to attract potential employees; (ii) to motivate and retain the employees and directors of any members (from time to time) of the Group to support the Group's long term development; and (iii) to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the eligible participants for their contributions and/or potential contributions to the Group.

(ii) Participants

The participants under the Share Option Scheme are the Directors and the employees of any members of the Group.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(b) Share Option Scheme (Continued)

(iii) Number of Shares Available for Issue

The total number of share options available for grant under the scheme mandate of the Share Option Scheme as at 1 April 2023 was 24,237,913 shares.

The total number of share options and awards available for grant under the scheme mandates of the Share Option Scheme and the Share Award Scheme as at 30 September 2023 and as at the date of this Interim Report was 25,288,246 shares.

(iv) Maximum Entitlement of Each Participant

No participant may receive more than 1% of the total number of shares in issue as options or awards under the Share Option Scheme and any other share scheme(s) in any 12-month period ending on the date of the grant. This limit excludes any options or awards that have lapsed in that period.

(v) Exercise Period and Vesting Period

The period within which a share option may be exercised will be determined by the Board at its absolute discretion but no share option may be exercised later than 10 years from the date of its grant.

Under 2021 Share Option Scheme, the Company may specify any minimum period(s) for which a share option must be held before it can be exercised.

Under the 2023 Share Option Scheme, subject to the Board (including the Remuneration Committee) exercising its discretion to shorten the vesting period, all options granted will be subject to a minimum vesting period of 12 months.

(vi) Payment on Acceptance of Share Option

An offer for the grant of an option under the Share Option Scheme is open for acceptance by the grantee within 30 days from the date of offer. Upon acceptance, the grantee is required to pay a sum of HK$1.00 (or its equivalent) (or such other reasonable amount as determined by the Board) as consideration for the grant within the said 30-day period.

(vii) Exercise Price

The exercise price of the share option under the Share Option Scheme shall be such price as determined by the Board at its absolute discretion and shall be no less than the highest of:

(1) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant;

(2) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and

(3) the nominal value of a share on the date of grant.

(viii) Scheme Life

The 2023 Share Option Scheme has a life of 10 years from the Adoption Date and shall expire on 18 July 2033.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(b) Share Option Scheme (Continued)

The movements in relation to the share options granted (and the number of underlying shares subject to the share options) under the Share Option Scheme during the six months ended 30 September 2023 are as follows:

					Number of underlying shares to the share options granted			
Name/category of grantees	Date of grant *(Note ii)*	Exercise price per share (HK$)	Fair value per share as at the date of grant (HK$)	Exercise period *(Note iii)*	Balance as at 1 April 2023	Granted	Exercised/ cancelled/ lapsed *(Note vi)*	Balance as at 30 September 2023
Directors								
Allan WONG Chi Yun	14 Mar 2022	54.00	6.71	31 March 2023 to 30 March 2025	83,333	–	–	83,333
(Note iv)	14 Mar 2022	54.00	7.04	31 March 2024 to 30 March 2026	83,334	–	–	83,334
PANG King Fai	14 Mar 2022	54.00	5.70	31 March 2022 to 30 March 2024	60,000	–	–	60,000
	14 Mar 2022	54.00	6.71	31 March 2023 to 30 March 2025	60,000	–	–	60,000
	14 Mar 2022	54.00	7.04	31 March 2024 to 30 March 2026	60,000	–	–	60,000
Andy LEUNG Hon Kwong	14 Mar 2022	54.00	5.70	31 March 2022 to 30 March 2024	100,000	–	–	100,000
	14 Mar 2022	54.00	6.71	31 March 2023 to 30 March 2025	100,000	–	–	100,000
	14 Mar 2022	54.00	7.04	31 March 2024 to 30 March 2026	100,000	–	–	100,000
Five highest paid individuals	14 Mar 2022	54.00	6.71	31 March 2023 to 30 March 2025	40,000	–	–	40,000
	14 Mar 2022	54.00	7.04	31 March 2024 to 30 March 2026	40,000	–	–	40,000
	27 Jun 2023	51.15	5.39	1 April 2024 to 31 March 2026	–	20,000	–	20,000
Other employees	14 Mar 2022	54.00	5.70	31 March 2022 to 30 March 2024	50,000	–	–	50,000
	14 Mar 2022	54.00	6.71	31 March 2023 to 30 March 2025	50,000	–	–	50,000
	14 Mar 2022	54.00	7.04	31 March 2024 to 30 March 2026	50,000	–	–	50,000
					876,667	20,000	–	896,667

Notes:

(i) No share options were granted under the Share Option Scheme in excess of the 1% individual limit.

(ii) The closing prices per share immediately before the date on which the share options were granted on 14 March 2022 and 27 June 2023 were HK$52.80 and HK$49.85 respectively.

(iii) The vesting period of the share options runs from the date of grant until the commencement of the relevant exercise period.

(iv) Dr. Allan WONG Chi Yun is an Executive Director, the Chairman, the Group Chief Executive Officer, and a substantial shareholder of the Company.

(v) The vesting or exercise of the above share options are not subject to the achievement of any performance targets.

(vi) During the six months ended 30 September 2023, no share options were exercised, cancelled or lapsed under the Share Option Scheme.

The movements in the number of share options outstanding and their related weighted average exercise prices during the six months ended 30 September 2023 are as follows:

	30 September 2023 (Unaudited)		31 March 2023 (Audited)	
	Weighted average exercise price	**Number of share options**	Weighted average exercise price	Number of share options
Outstanding at the beginning of the period/year	**HK$54.00**	**876,667**	HK$54.00	1,000,000
Granted during the period/year	**HK$51.15**	**20,000**	–	–
Exercised during the period/year	**–**	**–**	HK$54.00	(123,333)
Outstanding at the end of the period/year	**HK$53.94**	**896,667**	HK$54.00	876,667
Exercisable at the end of the period/year	**HK$54.00**	**543,333**	HK$54.00	543,333

The share options outstanding as at 30 September 2023 had a weighted average remaining contractual life of 1.66 years (31 March 2023: 2.14 years).

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(b) Share Option Scheme (Continued)

The total number of shares that may be issued in respect of the share options and awards granted under all share schemes of the Company during the six months ended 30 September 2023 divided by the weighted average number of shares in issue for the period was 0.21%.

Value of share options

The fair values of the share options granted by the Company were determined using the Black-Scholes options pricing model, a commonly used model for estimating the fair value of a share option. The variables and assumptions such as the expected volatility and expected dividend yield used in computing the fair value of the share options are based on the management's best estimates taking into account factors setting out in notes (i) and (ii) under the table in the section headed "Fair value of share options and assumptions" below. The value of a share option is determined by different variables which are based on a number of subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of a share option.

Fair value of share options and assumptions

	Date of grant			
	14 March 2022	**14 March 2022**	**14 March 2022**	**27 June 2023**
Exercise period	31 March 2022 to 30 March 2024	31 March 2023 to 30 March 2025	31 March 2024 to 30 March 2026	1 April 2024 to 31 March 2026
Fair value of each share option as of the date of grant	HK$5.70	HK$6.71	HK$7.04	HK$5.39
Closing share price at the date of grant	HK$54.00	HK$54.00	HK$54.00	HK$51.15
Exercise price	HK$54.00	HK$54.00	HK$54.00	HK$51.15
Expected volatility *(Note i)*	35.33%	35.33%	35.33%	30.59%
Annual risk-free interest rate (based on Hong Kong government bonds)	2.95%	2.95%	2.95%	3.54%
Expected average life of share options	1.0 year	2.0 years	3.1 years	1.8 year
Expected dividend yield *(Note ii)*	9.35%	9.35%	9.35%	8.96%

Notes:

(i) The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of the Company's daily share prices over the two years immediately preceding the grant date.

(ii) Expected dividend yield is based on historical dividends over one year prior to the grant date.

For details of the accounting standard and policy adopted for the share options granted under the Share Option Scheme, please refer to "V Employee Benefits - (iii) Equity and equity related compensation benefits" under "Principal Accounting Policies" to the "Notes to the Consolidated Financial Statements" in the 2023 Annual Report.

During the six months ended 30 September 2023, share-based payment expenses of US$0.1 million (2022: US$0.2 million) in respect of the Share Option Scheme were charged to the consolidated statement of profit or loss.

The aggregate fair value at the date of grant on 14 March 2022 of all share options granted under the Share Option Scheme to the Directors and to other employees was HK$4.7 million and HK$1.8 million respectively.

The aggregate fair value at the date of grant on 27 June 2023 of all share options granted under the Share Option Scheme to other employees was HK$0.1 million.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(c) Share Award Scheme

The Company adopted a share purchase scheme (the "2011 Share Award Scheme") on 30 March 2011. To bring the terms of the 2011 Share Award Scheme in line with the amended Chapter 17 of the Listing Rules, the Company sought and obtained the approval from the shareholders at the annual general meeting of the Company held on 19 July 2023 (the "Adoption Date") to make certain amendments to the 2011 Share Award Scheme and to adopt the amended share award scheme (the "2023 Share Award Scheme). Following the adoption of the 2023 Share Award Scheme, the 2011 Share Award Scheme has been superseded. While no further awards will be granted thereunder, any outstanding awards granted thereunder prior to the Adoption Date remain valid and are subject to the provisions of the 2011 Share Award Scheme in force as at the relevant grant date(s) of such awarded shares. For the purpose of this note, references to the Share Award Scheme refer to the 2011 Share Award Scheme and/or 2023 Share Award Scheme, as the context requires.

The 2023 Share Award Scheme is a share scheme involving the grant of shares and is funded by both existing shares and new shares.

The Company established a French subplan (the "French Subplan") which is applicable to the selected employees who are French residents or who are or may become subject to French tax as a result of awards granted under the Share Award Scheme. The French Subplan is also funded by both new shares and existing shares of the Company.

A summary of the Share Award Scheme is set out below:

(i) Purpose

The purposes of the Share Award Scheme are (i) to attract potential employees; (ii) to motivate and retain the employees to support the Group's long term development; and (iii) to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the employees for their contributions and/or potential contributions to the Group.

(ii) Participants

The participants under the Share Award Scheme are the Directors and the employees of any members of the Group as the Board may determine or approve.

(iii) Number of Shares Available for Issue

The maximum number of new shares which may be issued in respect of all awards to be granted under the Share Award Scheme, all options to be granted under the Share Option Scheme, and all share options and awards to be granted under any other share schemes of the Company shall not be, in aggregate, more than 25,288,246 shares, representing approximately 10% of the shares in issue as at the Adoption Date.

The total number of awards available for grant under the scheme mandate of the Share Award Scheme as at 1 April 2023 was 7,310,873 shares.

The total number of awards and options available for grant under the scheme mandates of the Share Award Scheme and the Share Option Scheme as at 30 September 2023 was 25,288,246 shares.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(c) Share Award Scheme (Continued)

(iv) Maximum Entitlement of Each Participant

There are no limits as to the number of awards to which a participant is entitled under the 2011 Share Award Scheme.

Unless with the approval of the shareholders of the Company, no participant may receive more than 1% of the total number of shares in issue as awards or options under the 2023 Share Award Scheme and any other share scheme(s) in any 12-month period ending on the date of the grant. This limit excludes any options or awards that have lapsed in that period.

(v) Vesting Period

The 2011 Share Award Scheme does not impose any minimum vesting period, except awards granted under the French Subplan.

Under the 2023 Share Award Scheme, subject to the Board (including the Remuneration Committee) exercising its discretion to shorten the period, all awards granted will be subject to a minimum period of 12 months before the awards may be vested where the awards only involve the grant of new shares and do not involve existing shares.

(vi) Payment on Acceptance of Awarded Shares

No payment is required to be made by the participants upon acceptance of an award or upon the vesting of any shares under the Share Award Scheme.

(vii) Scheme Life

The 2023 Share Award Scheme has a life of 10 years from the Adoption Date and shall expire on 18 July 2033.

During the six months ended 30 September 2023, the trustee of the Share Award Scheme purchased 322,900 shares (2022: 129,100 shares) on the Stock Exchange to fund the awards under the Share Award Scheme for a total purchase price of approximately US$2.0 million (2022: US$0.8 million). Further, 180,000 new shares (2022: 200,000 shares) were issued to the trustee under the general mandate of the Company to fund the awards under the Share Award Scheme at the price of US$0.05 each.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(c) Share Award Scheme (Continued)

Details of the awarded shares (including the shares awarded pursuant to the French Subplan) under the Share Award Scheme during the six months ended 30 September 2023 are as follows:

Name/category of grantees	Date of award	Closing price of the shares immediately before the date of award (HK$)	Fair value per share as at the date of award (HK$) *(Note ii)*	Balance of awards as at 1 April 2023	Number of awards granted during the period *(Notes iii & iv)*	Number of awards vested during the period *(Note iv)*	Number of awards not vested during the period *(Note viii)*	Number of awards lapsed during the period *(Note x)*	Balance of awards as at 30 September 2023	Period during which awards may be vested *(Note xi)*
Directors										
Allan WONG Chi Yun *(Note i)*	21 December 2022	50.00	49.80	100,000	–	(96,400)	(3,600)	–	–	18 May 2023 to 24 May 2023
PANG King Fai	21 December 2022	50.00	49.80	30,000	–	(28,900)	(1,100)	–	–	18 May 2023 to 24 May 2023
Andy LEUNG Hon Kwong	21 December 2022	50.00	49.80	50,000	–	(48,200)	(1,800)	–	–	18 May 2023 to 24 May 2023
Five highest paid individuals	21 December 2022	50.00	49.80	20,000	–	(15,300)	(4,700)	–	–	18 May 2023 to 24 May 2023
Other employees	1 August 2022	53.55	52.50	26,200	–	(26,200)	–	–	–	1 August 2023 to 7 August 2023
	21 December 2022	50.00	49.80	44,000	–	(42,400)	(1,600)	–	–	18 May 2023 to 24 May 2023
	27 June 2023	49.85	51.15	–	185,700 *(Note v)*	(185,600)	–	(100)	–	27 June 2023 to 3 July 2023
	9 August 2023	46.55	46.90	–	30,600 *(Note vi)*	(30,600)	–	–	–	9 August 2023 to 15 August 2023
	9 August 2023	46.55	46.90	–	35,600 *(Notes vi & vii)*	–	–	–	35,600	9 August 2024 to 15 August 2024
				270,200	251,900	(473,600)	(12,800)	(100)	35,600	

Notes:

(i) Dr. Allan WONG Chi Yun is an Executive Director, the Chairman, the Group Chief Executive Officer, and a substantial shareholder of the Company.

(ii) The fair value at the date of grant was determined based on the closing price of the shares on the date of the award. The expected dividends during the period pending the vesting of the awards were also taken into account when assessing the fair value of these awarded shares.

(iii) During the six months ended 30 September 2023, 251,900 awarded shares, with a total fair value of HK$12.6 million, were granted to the employees.

(iv) The vesting of the share awards granted during the six months ended 30 September 2023 was subject to the achievement of certain performance targets relate to the financial performance of the Group or the financial performance of the business for which the relevant grantee was responsible for the respective year.

(v) These awarded shares included 180,000 new shares allotted and issued by the Company to the trustee of the Share Award Scheme for the selected participants (not being connected persons of the Company). The balance of the awarded shares was purchased on the Stock Exchange by the trustee of the Share Award Scheme.

(vi) These awarded shares were purchased on the Stock Exchange by the trustee of the Share Award Scheme.

(vii) These awarded shares were granted under the French Subplan during the six months ended 30 September 2023.

(viii) (a) 180,000 awarded shares (2022: 180,000 awarded shares) and 64,000 awarded shares (2022: 64,000 awarded shares) were granted to executive Directors and certain senior management on 21 December 2022 respectively and such awarded shares were vested on 18 May 2023 upon the achievement of certain performance targets for the year ended 31 March 2023. These awarded shares were purchased on the Stock Exchange by the trustee of the Share Award Scheme.

(b) During the year ended 31 March 2023, 6,500 awarded shares and 6,300 awarded shares granted to executive Directors and certain senior management on 21 December 2022 respectively were not vested as the prerequisite performance targets for the year ended 31 March 2023 for vesting were not met.

(c) The performance targets for the vesting of the awarded shares granted for the year ended 31 March 2023 relate to the financial performance of the Group or the financial performance of the business for which the relevant grantee was responsible for the respective year.

(ix) No awarded shares (2022: Nil) were cancelled during the six months ended 30 September 2023.

(x) 100 awarded shares (2022: Nil) lapsed during the six months ended 30 September 2023.

(xi) The vesting period of the share awards runs from the date of grant until the commencement of the period during which the relevant awards may be vested.

(xii) The weighted average closing price of the shares immediately before the various dates on which the awarded shares were vested for the six months ended 30 September 2023 was HK$49.60.

(xiii) No awarded shares (2022: Nil) were granted to the non-executive Directors during the six months ended 30 September 2023.

(xiv) No grants of awarded shares under the Share Award Scheme were in excess of the 1% individual limit.

(xv) No purchase price is required to be paid by the participants for the awarded shares.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(c) Share Award Scheme (Continued)

Details of the awarded shares (including the shares awarded pursuant to the French Subplan) under the Share Award Scheme during the year ended 31 March 2023 are as follows:

Name/category of grantees	Date of award	Closing price of the shares immediately before the date of award (HK$)	Fair value per share as at the date of award (HK$) *(Note vi)*	Balance of awards as at 1 April 2022	Number of awards granted during the year *(Note x)*	Number of awards vested during the year *(Note iii)*	Number of awards not vested during the year *(Note iii)*	Balance of awards as at 31 March 2023	Period during which awards may be vested *(Note ix)*
Directors									
Allan WONG Chi Yun *(Note i)*	14 March 2022	52.80	54.00	100,000 *(Note iii)*	–	(84,800)	(15,200)	–	17 May 2022 to 23 May 2022
	21 December 2022	50.00	49.80	–	100,000 *(Note iii)*	–	–	100,000	18 May 2023 to 24 May 2023
PANG King Fai	14 March 2022	52.80	54.00	30,000 *(Note iii)*	–	(25,400)	(4,600)	–	17 May 2022 to 23 May 2022
	21 December 2022	50.00	49.80	–	30,000 *(Note iii)*	–	–	30,000	18 May 2023 to 24 May 2023
Andy LEUNG Hon Kwong	14 March 2022	52.80	54.00	50,000 *(Note iii)*	–	(42,400)	(7,600)	–	17 May 2022 to 23 May 2022
	21 December 2022	50.00	49.80	–	50,000 *(Note iii)*	–	–	50,000	18 May 2023 to 24 May 2023
Five highest paid individuals *(Note ii)*	14 March 2022	52.80	54.00	20,000 *(Note iii)*	–	(17,700)	(2,300)	–	17 May 2022 to 23 May 2022
	21 December 2022	50.00	49.80	–	20,000 *(Note iii)*	–	–	20,000	18 May 2023 to 24 May 2023
Other employees	24 June 2022	59.65	61.00	–	172,100 *(Note iv)*	(172,100)	–	–	24 June 2022 to 30 June 2022
	30 July 2021	77.00	77.00	28,800	–	(28,800)	–	–	30 July 2022 to 5 August 2022
	1 August 2022	53.55	52.50	–	73,200 *(Notes iv & v)*	(47,000)	–	26,200	1 August 2022 to 7 August 2023
	14 March 2022	52.80	54.00	44,000 *(Note iii)*	–	(37,300)	(6,700)	–	17 May 2022 to 23 May 2022
	21 December 2022	50.00	49.80	–	44,000 *(Note iii)*	–	–	44,000	18 May 2023 to 24 May 2023
				272,800	489,300	(455,500)	(36,400)	270,200	

Notes:

(i) Dr. Allan WONG Chi Yun is an Executive Director, the Chairman, the Group Chief Executive Officer, and a substantial shareholder of the Company.

(ii) Of the five individuals with the highest emoluments during the year ended 31 March 2023, three are Directors whose awarded shares are set out above.

(iii) (a) 180,000 awarded shares (2022: 180,000 awarded shares) and 64,000 awarded shares (2022: 64,000 awarded shares) were granted to executive Directors and certain senior management on 21 December 2022 respectively and such awarded shares were vested on 18 May 2023 upon the achievement of certain performance targets for the year ended 31 March 2023. These awarded shares were purchased on the Stock Exchange by the trustee of the Share Award Scheme.

(b) 27,400 awarded shares and 9,000 awarded shares granted to executive Directors and certain senior management on 14 March 2022 respectively were not vested on 17 May 2022 during the year ended 31 March 2023 as the prerequisite performance targets for the year ended 31 March 2022 for vesting were not met.

(c) The performance targets for the vesting of the awarded shares granted for the year ended 31 March 2022 and 31 March 2023 relate to the financial performance of the Group or the financial performance of the business for which the relevant grantee was responsible for the respective year.

(iv) These awarded shares included the 200,000 new shares allotted and issued by the Company to the trustee of the Share Award Scheme for the selected participants (not being connected persons of the Company).

(v) These awarded shares included 26,200 awarded shares (2022: 28,800 awarded shares) granted under the French Subplan during the year ended 31 March 2023.

(vi) The fair value at the date of grant was determined based on the closing price of the shares on the date of the award. The expected dividends during the period pending the vesting of the awards were also taken into account when assessing the fair value of these awarded shares.

(vii) No awarded shares (2022: 100 awarded shares) were cancelled during the year ended 31 March 2023.

(viii) No awarded shares (2022: Nil) lapsed during the year ended 31 March 2023.

(ix) The vesting period of the share awards runs from the date of grant until the commencement of the period during which the relevant awards may be vested.

(x) During the year ended 31 March 2023, 200,000 awarded shares, with a total fair value of HK$10.0 million, were granted to the five highest paid individuals, and a total of 289,300 awarded shares, with a total fair value of HK$16.5 million, were granted to other employees.

(xi) The weighted average closing price of the shares immediately before the various dates on which the awarded shares were vested for the year ended 31 March 2023 was HK$56.37.

(xii) No awarded shares (2022: Nil) were granted to the non-executive Directors during the year ended 31 March 2023.

(xiii) No grants of awarded shares under the Share Award Scheme were in excess of the 1% individual limit.

(xiv) No purchase price is required to be paid by the participants for the awarded shares.

12 Share Capital, Share Option Scheme and Share Award Scheme (Continued)

(c) Share Award Scheme (Continued)

For details of the accounting standard and policy adopted for the share awards granted under the Share Award Scheme, please refer to "V Employee Benefits - (iii) Equity and equity related compensation benefits" under "Principal Accounting Policies" to the "Notes to the Consolidated Financial Statements" in the 2023 Annual Report.

The total number of shares that may be issued in respect of the share options and awards granted under all share schemes of the Company during the six months ended 30 September 2023 divided by the weighted average number of shares in issue for the period was 0.21%.

As at 30 September 2023, a total of 301,200 shares (31 March 2023: 271,300 shares) were held in trust by the trustee under the Share Award Scheme of which 35,600 shares (31 March 2023: 26,200 shares) were held in trust by the trustee under the French Subplan which were granted to the eligible French employees of the Group and remain unvested. Dividends derived from the shares held under the said trust will be reinvested to acquire further shares.

During the six months ended 30 September 2023, share-based payment expenses of US$1.7 million (30 September 2022: US$2.0 million) in respect of the awarded shares were charged to the consolidated statement of profit or loss.

13 Fair Value Measurements of Financial Instruments

All financial instruments are carried at amounts not materially different from their fair value as at 30 September 2023 and 31 March 2023.

Financial instruments carried at fair value

The Group's financial instruments are measured at fair value at the end of the relevant financial period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified and determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair values measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

- Level 2 valuations: Fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3 valuations: Fair values measured using significant unobservable inputs

13 Fair Value Measurements of Financial Instruments (Continued)

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated statement of financial position. All fair value measurements below are recurring.

		Fair value measurements categorised into		
	Fair value US$ million	Level 1 US$ million	Level 2 US$ million	Level 3 US$ million
At 30 September 2023 (Unaudited)				
Assets:				
Forward foreign exchange contracts	**9.0**	**–**	**9.0**	**–**
Investments	**1.5**	**–**	**–**	**1.5**
Liabilities:				
Forward foreign exchange contracts	**(7.0)**	**–**	**(7.0)**	**–**
At 31 March 2023 (Audited)				
Assets:				
Forward foreign exchange contracts	3.3	–	3.3	–
Investments	1.9	–	–	1.9
Liabilities:				
Forward foreign exchange contracts	(4.4)	–	(4.4)	–

During the six months ended 30 September 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 of the fair value hierarchy classifications. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward foreign exchange contracts in Level 2 is determined by discounting the difference between the forward exchange rates at the end of the reporting period and the contractual forward exchange rates.

Information about Level 3 fair value measurements

	Valuation techniques	Significant unobservable inputs	Sensitivity to changes in significant unobservable inputs
Investments	Net asset value approach	Fair value of individual assets less liabilities of the business ("the Business Net Assets")	The estimated fair value would increase if the fair value of the Business Net Assets is higher
		Marketability discount of 10%	The estimated fair value would decrease if the marketability discount is higher

As at 30 September 2023 and 31 March 2023, the fair value of investments is determined using net asset value and adjusted for the marketability discount.

13 Fair Value Measurements of Financial Instruments (Continued)

As at 30 September 2023, it is estimated that with other variables held constant, an increase/decrease of 5% (31 March 2023: 5%) in each of the unobservable inputs would have increased/decreased the net assets as follows:

		Increase/(decrease) in net assets	
	Increase/ (decrease) in unobservable inputs	**30 September 2023 (Unaudited) US$ million**	31 March 2023 (Audited) US$ million
Fair value of the Business Net Assets	5%	**0.1**	0.1
	(5%)	**(0.1)**	(0.1)
Marketability discount	5%	**(0.1)**	(0.1)
	(5%)	**0.1**	0.1

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	30 September 2023 (Unaudited) US$ million	31 March 2023 (Audited) US$ million
Investments:		
At the beginning of period/year	**1.9**	2.2
Fair value loss	**(0.4)**	(0.3)
At the end of period/year	**1.5**	1.9

14 Capital Commitments

	30 September 2023 (Unaudited) US$ million	31 March 2023 (Audited) US$ million
Capital commitments for property, plant and equipment:		
Authorised but not contracted for	**15.4**	33.6
Contracted but not provided for	**6.9**	7.2
	22.3	40.8

15 Contingent Liabilities

Certain subsidiaries of the Group are involved in litigation arising in the ordinary course of their respective businesses and are involved in certain accusations of infringements of intellectual property and complaints related to products liability. Having reviewed the outstanding claims and taking into account legal advice received, the Directors are of the opinion that even if the claims are found to be valid, there will be no material adverse effect on the financial position of the Group.

16 Approval of Interim Financial Report

The Interim Financial Report was approved by the Board on 15 November 2023.

Disclosure of Interests

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as adopted by the Company, were as follows:

Name of Director	Number of ordinary shares			Equity Derivatives (Share Options) *(Note 7)*	Total	Approximate percentage of shareholding *(Note 8)*
	Personal Interest	Family Interest	Other Interest			
Allan WONG Chi Yun	13,887,609	–	74,101,153 *(Note 1)* 4,667,037 *(Note 2)*	166,667	92,822,466	36.71%
PANG King Fai	441,600	–	–	180,000	621,600	0.25%
Andy LEUNG Hon Kwong	681,600	–	–	300,000	981,600	0.39%
William WONG Yee Lai	–	–	74,101,153 *(Notes 1&3)*	–	74,101,153	29.30%
William FUNG Kwok Lun	449,430	5,000 *(Note 4)*	592,200 *(Note 5)*	–	1,046,630	0.41%
Patrick WANG Shui Chung	162,000	–	–	–	162,000	0.06%

Notes:

(1) These shares were beneficially owned as to 1,416,325 shares by Honorex Limited ("Honorex"), as to 65,496,225 shares by Conquer Rex Limited ("Conquer Rex") and as to 7,188,603 shares by Twin Success Pacific Limited ("Twin Success"). Each of Honorex and Conquer Rex was wholly owned by Twin Success. Twin Success was wholly owned by Surplus Assets Limited ("Surplus Assets"). Surplus Assets was wholly owned by Credit Suisse Trust Limited ("Credit Suisse") which acts as the trustee of The Allan Wong 2011 Trust, a discretionary trust of which Dr. Allan WONG Chi Yun, a Director, is the founder. Surplus Assets was therefore deemed to have an aggregate indirect interest in 74,101,153 shares and Twin Success was also deemed to have an aggregate indirect interest in 66,912,550 shares. Surplus Assets was wholly owned by Credit Suisse which was deemed to be interested in 74,101,153 shares by virtue of the SFO.

(2) These shares were held by a company wholly-owned by Dr. Allan WONG Chi Yun.

(3) Mr. William WONG Yee Lai was deemed to be interested in 74,101,153 shares under the SFO by virtue of his being one of the discretionary beneficiaries of The Allan Wong 2011 Trust, a discretionary trust of which Dr. Allan WONG Chi Yun is the founder.

(4) These shares were held by a company beneficially owned by the spouse of Dr. William FUNG Kwok Lun.

(5) These shares were held by a company beneficially owned by Dr. William FUNG Kwok Lun.

(6) All the interests stated above represented long positions.

(7) Please also refer to note 12(b) to the Unaudited Interim Financial Report for further details on the share options in which the Directors and chief executive of the Company were interested.

(8) The approximate percentage of shareholding is calculated based on 252,882,466 shares of the Company in issue as at 30 September 2023.

Save as disclosed above, as at 30 September 2023, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholdings

As at 30 September 2023, other than the interests of the Directors and chief executive of the Company as disclosed above, shareholders who had interests or short positions in the shares or underlying shares of the Company of 5% or more which fell to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Name of shareholder	Capacity	Number of shares *(Note 3)*	Approximate percentage of shareholding *(Note 4)*
Credit Suisse Trust Limited	Trustee *(Note 1)*	74,101,153	29.30%
Surplus Assets Limited	Interest of controlled corporation *(Note 1)*	74,101,153	29.30%
Twin Success Pacific Limited	Interest of controlled corporations and beneficial owner *(Notes 1&2)*	74,101,153	29.30%
Honorex Limited	Beneficial owner *(Note 1)*	1,416,325	0.56%
Conquer Rex Limited	Beneficial owner *(Note 1)*	65,496,225	25.90%

Notes:

(1) Please refer to Note (1) disclosed under the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" in this Interim Report.

(2) Twin Success Pacific Limited was interested in 7,188,603 shares as beneficial owner and 66,912,550 shares as interest of controlled corporations.

(3) All the interests stated above represented long positions.

(4) The approximate percentage of shareholding is calculated based on 252,882,466 shares of the Company in issue as at 30 September 2023.

Save as disclosed above, as at 30 September 2023, the Company had not been notified by any persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which fell to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Corporate Governance

The Board of Directors (the "Board") and the management of VTech Holdings Limited ("VTech" or the "Company") are committed to good corporate governance and the application of the principles including transparency, accountability and independence to achieve sustainable performance of the Company and enhance its value for the shareholders.

VTech and its subsidiaries (the "Group") also recognise that a comprehensive corporate governance management structure is crucial in helping the Company to implement its strategies and policies effectively and consistently throughout the Group, and safeguard the long-term interests of its shareholders. The Group has also continuously reviewed its policies and procedures to ensure that it meets the requirements of the applicable laws and regulations, industry best practices, global trends, and market expectations.

Corporate Governance Practices

The corporate governance rules applicable to the Company are the Corporate Governance Code (the "Code") set out in Appendix 14 to the Listing Rules. Throughout the six months ended 30 September 2023, the Company complied with all the code provisions of the Code, except for the deviation from code provision C.2.1 of Part 2 of the Code.

Under code provision C.2.1 of Part 2 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Dr. Allan WONG Chi Yun has the combined role of Chairman and Group Chief Executive Officer. As more than half of the Board members are Independent Non-executive Directors, the Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Group. Furthermore, as Dr. Allan WONG Chi Yun is the founder of the Group and has substantial professional experience in the industry, the Board believes that the appointment of Dr. Allan WONG Chi Yun to the combined role of Chairman and Group Chief Executive Officer is beneficial to the sustainable development of the Group and the long-term interests of the shareholders.

Details of the corporate governance practices adopted by the Company are set out in the Company's 2023 Annual Report.

VTech is also committed to following the Environmental, Social and Governance ("ESG") Reporting Guide set out in Appendix 27 to the Listing Rules. Details of VTech's ESG performance were set out in the Company's 2023 Sustainability Report.

The Audit Committee reviewed and discussed with the management and the external auditor the Group's Unaudited Interim Financial Report and unaudited interim results for the six months ended 30 September 2023.

Risk Management and Internal Control

Effective risk management plays an integral role in the overall achievement of the Group's strategic objectives which are to ensure the resilience of its business for the long term. The Risk Management and Sustainability Committee continued to review the Group's risk management and internal control systems, and monitor the sustainability performance progress during the six months ended 30 September 2023 and up to the date of this Interim Report. Details of the Group's risk management and internal control systems were set out in the "Risk Management and Sustainability Committee Report" on pages 63 to 69 of the Company's 2023 Annual Report.

Furthermore, the Data Security Governance Board reviewed and monitored the implementation and execution of the Data Security Policy and practices of the Group to ensure compliance with the latest privacy and data protection regulations in the various jurisdictions in which the Group operated during the six months ended 30 September 2023 and up to the date of this Interim Report. It also reviewed the implementation progress of the data breach preventive measures, system technology enhancement and staff trainings for mitigating the Group's exposure to cybersecurity risks and meeting the industry standard.

Based on the information received from the management (including the Risk Management and Sustainability Committee and the Data Security Governance Board), the external auditor and the Internal Audit Department, the Audit Committee is satisfied that the overall financial and operational controls, risk management and internal control systems, and the internal audit function of the Group for the six months ended 30 September 2023 and up to the date of this Interim Report are effective and adequate.

Model Code for Securities Transactions

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules regarding securities transactions for the Directors. The Model Code is also extended to apply to specified employees including the senior management of the Group. After having made specific enquiries, all Directors and specified employees confirmed that they have complied with the required standard of dealings set out in the Model Code throughout the six months ended 30 September 2023.

Other Information

Interim Dividend

The Board has declared an interim dividend (the "Interim Dividend") of US17.0 cents per ordinary share in respect of the six months ended 30 September 2023, payable on 20 December 2023 to the shareholders whose names appear on the register of members of the Company as at the close of business on 11 December 2023.

The Interim Dividend will be payable in United States dollars save that those shareholders with a registered address in Hong Kong will receive an equivalent amount in Hong Kong dollars which will be calculated at the rate of exchange as quoted to the Company by The Hongkong and Shanghai Banking Corporation Limited at its middle rate of exchange prevailing on 11 December 2023.

Closure of Register of Members

The register of members of the Company will be closed on 11 December 2023, during which no transfer of shares will be effected.

In order to qualify for the Interim Dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the share registrars of the Company for registration no later than 4:30 p.m. (the local time of the relevant share registrar) on Friday, 8 December 2023.

The principal registrar is MUFG Fund Services (Bermuda) Limited, 4th Floor North, Cedar House, 41 Cedar Avenue, Hamilton HM 12, Bermuda and the branch registrar in Hong Kong is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

Purchase, Sale or Redemption of Listed Securities

The Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities during the six months ended 30 September 2023.

During the six months ended 30 September 2023, the trustee of the Share Award Scheme, pursuant to the rules and trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 322,900 shares of the Company for an aggregate consideration of approximately US$2.0 million.

Changes to Information in respect of Directors

The changes in the information of the Directors required to be disclosed in accordance with Rule 13.51B(1) of the Listing Rules are set out below:

– Dr. Allan WONG Chi Yun was appointed as a member of the Chief Executive's Council of Advisers of the Government of the Hong Kong Special Administrative Region on 15 March 2023.

– Professor KO Ping Keung ("Professor KO") is a director of Googol Technology Co., Ltd., a company whose shares are listed on the Shenzhen Stock Exchange ChiNext market; and

  Professor KO is an independent director of Primarius Technologies Co., Ltd., a company whose shares are listed on the Science and Technology Innovation Board of Shanghai Stock Exchange.

Corporate Information

Board of Directors

Executive Directors

Allan WONG Chi Yun
(Chairman and Group Chief Executive Officer)
PANG King Fai
Andy LEUNG Hon Kwong

Non-executive Director

William WONG Yee Lai

Independent Non-executive Directors

William FUNG Kwok Lun
GAN Jie
KO Ping Keung
Patrick WANG Shui Chung
WONG Kai Man

Audit Committee

WONG Kai Man *(Chairman)*
William FUNG Kwok Lun
GAN Jie
KO Ping Keung
Patrick WANG Shui Chung

Nomination Committee

William FUNG Kwok Lun *(Chairman)*
KO Ping Keung
Patrick WANG Shui Chung
WONG Kai Man
Allan WONG Chi Yun

Remuneration Committee

Patrick WANG Shui Chung *(Chairman)*
William FUNG Kwok Lun
KO Ping Keung
WONG Kai Man

Risk Management and Sustainability Committee

Allan WONG Chi Yun (Chairman)
PANG King Fai
Andy LEUNG Hon Kwong
WONG Kai Man
Hillson CHEUNG Hoi
Shereen TONG Ka Hung
CHANG Yu Wai

Company Secretary

CHANG Yu Wai

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office

23rd Floor, Tai Ping Industrial Centre, Block 1
57 Ting Kok Road
Tai Po, New Territories
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited

Auditor

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

Information for Shareholders

Share Listing

Shares of VTech Holdings Limited are:

- Listed on The Stock Exchange of Hong Kong Limited
- On the list of Southbound trading through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

Stock Code

The Stock Exchange of Hong Kong Limited: 303

Financial Calendar

Closure of Register of Members: 11 December 2023

Payment of Interim Dividend: 20 December 2023

FY2024 Annual Results Announcement: May 2024

Share Information

Board lot: 100 shares

Issued shares as at 30 September 2023: 252,882,466 shares

Dividend

Dividend per ordinary share for the six months ended 30 September 2023: US17.0 cents per share

Share Registrars

Principal

MUFG Fund Services (Bermuda) Limited
4th Floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Hong Kong Branch

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai
Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990
Enquiries: www.computershare.com/hk/en/online_feedback

Investor Relations Contact and Website

Corporate Marketing Department
23rd Floor, Tai Ping Industrial Centre, Block 1
57 Ting Kok Road
Tai Po, New Territories
Hong Kong
Tel: (852) 2680 1000
Fax: (852) 2680 1300
Email: investor_relations@vtech.com
Website: www.vtech.com/en/investors

VTech Holdings Limited

(Incorporated in Bermuda with limited liability)

23rd Floor, Tai Ping Industrial Centre, Block 1
57 Ting Kok Road, Tai Po, New Territories, Hong Kong
Tel: (852) 2680 1000 Fax: (852) 2680 1300
Email: investor_relations@vtech.com
www.vtech.com

偉易達集團

（於百慕達註冊成立之有限公司）

香港新界大埔汀角路 57 號
太平工業中心第 1 期 23 樓
電話：(852) 2680 1000 傳真：(852) 2680 1300
電郵：investor_relations@vtech.com
www.vtech.com