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First Quarter Results * Financial Statement And Related Announcement

* Asterisks denote mandatory information

Name of Announcer *	VALUETRONICS HOLDINGS LIMITED
Company Registration No.	38813
Announcement submitted on behalf of	VALUETRONICS HOLDINGS LIMITED
Announcement is submitted with respect to *	VALUETRONICS HOLDINGS LIMITED
Announcement is submitted by *	Tse Chong Hing
Designation *	Chairman & Managing Director
Date & Time of Broadcast	13-Aug-2013 07:10:41
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2013
Description	Please see attached.

Attachments

 [VHL-Q1FY2014-Result.pdf](#)
 Total size = **156K**
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VALUETRONICS HOLDINGS LIMITED

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

FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2013**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) An income statement and a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Profit or Loss for the period ended 30 June 2013

	The Group		
	3 months ended 30 June		
	2013	2012	Change
	HK\$'000	HK\$'000	%
		(Restated)	
Continuing operations			
Revenue	611,233	627,457	-2.6
Cost of sales	(532,381)	(553,513)	-3.8
Gross profit	78,852	73,944	6.6
Other income	2,508	2,312	8.5
Selling and distribution costs	(11,568)	(10,043)	15.2
Administrative expenses	(29,943)	(28,450)	5.2
Net other operating losses	(406)	(248)	63.7
Profit from operations	39,443	37,515	5.1
Finance costs	(158)	(481)	-67.2
Profit before tax	39,285	37,034	6.1
Income tax expense	(6,011)	(4,562)	31.8
Profit for the period from continuing operations	33,274	32,472	2.5
Discontinued operations*			
Loss for the period from discontinued operations	-	(6,742)	NM
Profit for the period	33,274	25,730	29.3
Attributable to:			
Owners of the Company	33,274	25,730	29.3

Note:

NM: Not meaningful

*: See page 2, Note 2

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2013

	The Group		
	3 months ended 30 June		
	2013	2012	Change
	HK\$'000	HK\$'000	%
Profit for the period	33,274	25,730	29.3
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	2,892	-	NM
Other comprehensive income for the period, net of tax	2,892	-	NM
Total comprehensive income for the period	36,166	25,730	40.6
Attributable to:			
Owners of the Company	36,166	25,730	40.6

Note:

NM: Not meaningful

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

	The Group	
	3 months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Depreciation	10,542	11,266
Amortisation of land use rights	123	124
Losses on disposals of property, plant and equipment	59	37
Interest income	(216)	(229)
Interest expenses	-	118
Bank charges	158	400
Net exchange gains	(899)	(657)
Net fair value losses on derivative financial instruments (Note 1)	406	-
Provision for impairment on long term receivables	-	248

Note 1: The Group has operations in China, its principal currencies include Renminbi and Singapore Dollar. The Group entered into certain foreign exchange forward contracts to hedge against its exposure to Renminbi and Singapore Dollar during the period. The net fair value losses on derivative financial instruments represented the unrealised losses and mark-to-market values of these contracts as at period end date.

Note 2: On 7 August 2012, after a rigorous review of the prospects of the Licensing business, the Group announced its decision to terminate the Licensing business. In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the results and cash flows of the Licensing business have been included in the discontinued operations of the Group upon the termination of Licensing business. Comparative figures have been restated thereon, where applicable.

1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position as at 30 June 2013

	The Group		The Company	
	At 30.6.2013	At 31.3.2013	At 30.6.2013	At 31.3.2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS				
Non-current assets				
Land use rights	21,151	20,941	-	-
Property, plant and equipment	191,876	196,454	-	-
Investments in subsidiaries	-	-	83,330	83,330
Available-for-sale financial assets	1,549	1,549	-	-
Club membership, at cost	254	250	-	-
Total non-current assets	214,830	219,194	83,330	83,330
Current assets				
Inventories	257,786	178,358	-	-
Trade receivables	607,036	481,509	-	-
Land use rights	499	491	-	-
Prepayments, deposits and other receivables	13,909	8,836	62	136
Available-for-sale financial assets	2,476	2,476	-	-
Due from subsidiaries	-	-	149,131	149,546
Bank and cash balances	396,245	221,579	355	416
Total current assets	1,277,951	893,249	149,548	150,098
Total assets	1,492,781	1,112,443	232,878	233,428
EQUITY				
Share capital	36,004	36,004	36,004	36,004
Reserves	593,398	556,223	196,176	196,801
Equity attributable to owners of the Company	629,402	592,227	232,180	232,805
Total equity	629,402	592,227	232,180	232,805
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	3,388	3,388	-	-
Total non-current liabilities	3,388	3,388	-	-
Current liabilities				
Trade payables	558,398	241,375	-	-
Accruals, other payables and deposits received	285,283	264,962	698	623
Current tax liabilities	15,829	10,416	-	-
Derivative financial instruments	481	75	-	-
Total current liabilities	859,991	516,828	698	623
Total liabilities	863,379	520,216	698	623
Total equity and liabilities	1,492,781	1,112,443	232,878	233,428
Net current assets	417,960	376,421	148,850	149,475
Total assets less current liabilities	632,790	595,615	232,180	232,805

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30 June 2013		As at 31 March 2013	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 30 June 2013		As at 31 March 2013	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nil	Nil	Nil	Nil

Details of any collateral**None**

1(c) **A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Cash Flows for the period ended 30 June 2013

	The Group	
	3 months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
		(Restated)
Cash flows from operating activities		
Cash generated from operations of continuing operations:		
Profit before tax	39,285	37,034
Adjustments for :		
Amortisation of land use rights	123	124
Provision for impairment on long term receivables	-	248
Depreciation	10,542	10,846
Equity-settled share-based payments	1,009	1,075
Losses on disposals of property, plant and equipment	59	37
Net fair value losses on derivative financial instruments	406	-
Interest expenses	-	118
Interest income	(216)	(194)
Operating profit before working capital changes	51,208	49,288
Increase in inventories	(79,428)	(86,429)
Increase in trade receivables	(125,527)	(115,389)
Increase in prepayments, deposits and other receivables	(5,073)	(1,682)
Increase in trade payables	317,023	158,649
Increase in accruals, other payables and deposits received	20,321	16,787
Cash generated from operations	178,524	21,224
Income tax paid	(598)	(3,217)
Interest paid	-	(118)
Net cash generated from operating activities of continuing operations	177,926	17,889
Net cash generated from operating activities of discontinued operations	-	1,000
Net cash generated from operating activities	177,926	18,889
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,402)	(6,727)
Interest received	216	194
Net cash used in investing activities of continuing operations	(4,186)	(6,533)
Net cash generated from investing activities of discontinued operations	-	35
Net cash used in investing activities	(4,186)	(6,498)
Cash flows from financing activities		
Net cash from financing activities of continuing operations	-	-
Net cash from financing activities of discontinued operations	-	-
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	173,740	12,391
Effect of foreign exchange rate changes	926	-
Cash and cash equivalents at beginning of the period	221,579	263,730
Cash and cash equivalents at end of the period	396,245	276,121
Analysis of cash and cash equivalents		
Bank and cash balances	396,245	276,121

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statements of Changes in Equity

The Group	Attributable to the owners of the Company							Total equity
	Reserves							
	Share capital	Share premium	Share-based payment reserve	Translation reserve	Statutory reserve (note)	Retained earnings	Total reserves	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2013	36,004	91,867	6,649	22,753	1,596	433,358	556,223	592,227
Total comprehensive income for the period	-	-	-	2,892	-	33,274	36,166	36,166
Share-based payments	-	-	1,009	-	-	-	1,009	1,009
Change in equity for the period	-	-	1,009	2,892	-	33,274	37,175	37,175
Balance at 30 June 2013	36,004	91,867	7,658	25,645	1,596	466,632	593,398	629,402
Balance at 1 April 2012	35,860	90,283	4,411	21,202	1,198	415,421	532,515	568,375
Total comprehensive income for the period	-	-	-	-	-	25,730	25,730	25,730
Share-based payments	-	-	1,075	-	-	-	1,075	1,075
Change in equity for the period	-	-	1,075	-	-	25,730	26,805	26,805
Balance at 30 June 2012	35,860	90,283	5,486	21,202	1,198	441,151	559,320	595,180

The Company	Reserves						
	Share capital	Share premium	Share-based payment reserve	Contributed surplus	Retained earnings	Total reserves	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2013	36,004	91,867	6,649	67,239	31,046	196,801	232,805
Total comprehensive income for the period	-	-	-	-	(1,634)	(1,634)	(1,634)
Share-based payments	-	-	1,009	-	-	1,009	1,009
Change in equity for the period	-	-	1,009	-	(1,634)	(625)	(625)
Balance at 30 June 2013	36,004	91,867	7,658	67,239	29,412	196,176	232,180
Balance at 1 April 2012	35,860	90,283	4,411	67,239	69,480	231,413	267,273
Total comprehensive income for the period	-	-	-	-	(1,786)	(1,786)	(1,786)
Share-based payments	-	-	1,075	-	-	1,075	1,075
Change in equity for the period	-	-	1,075	-	(1,786)	(711)	(711)
Balance at 30 June 2012	35,860	90,283	5,486	67,239	67,694	230,702	266,562

Note: In accordance with the relevant PRC regulations, the subsidiaries of the Group established in the PRC are required to transfer a certain percentage of the profit after tax, if any, to a statutory reserve. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory reserve may be used to offset the accumulated losses, if any, of the subsidiaries.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, repurchase of shares, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital since the end of the previous period reported. As at 30 June 2013, the share capital of the Company comprises 360,038,750 shares (31 March 2013: 360,038,750 shares).

There were no changes in the Company's share options since the end of the previous period reported. As at 30 June 2013, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2013	Additions	Share options exercised	Balance as at 30.6.2013
(a) Incentive Options (Note 1)	S\$0.144	1,200,000	-	-	1,200,000
	S\$0.105	2,500,000	-	-	2,500,000
	S\$0.150	2,400,000	-	-	2,400,000
	S\$0.160	1,150,000	-	-	1,150,000
	S\$0.174	4,900,000	-	-	4,900,000
	S\$0.201	5,400,000	-	-	5,400,000
(b) Market Options (Note 2)	S\$0.215	200,000	-	-	200,000
	S\$0.184	400,000	-	-	400,000
Total		18,150,000	-	-	18,150,000

As at 30 June 2012, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2012	Additions	Share options exercised	Balance as at 30.6.2012
(a) Incentive Options (Note 1)	S\$0.175	100,000	-	-	100,000
	S\$0.144	1,200,000	-	-	1,200,000
	S\$0.105	2,750,000	-	-	2,750,000
	S\$0.150	2,400,000	-	-	2,400,000
	S\$0.160	1,150,000	-	-	1,150,000
	S\$0.174	4,900,000	-	-	4,900,000
(b) Market Options (Note 2)	S\$0.215	200,000	-	-	200,000
	S\$0.184	400,000	-	-	400,000
Total		13,100,000	-	-	13,100,000

Notes:

- (1) The Incentive Options were issued at a discount of not more than 20% to the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding the date of grant of the respective Options.
- (2) The Market Options were issued at the market price which was equal to the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding the date of grant of the respective Options.

PERFORMANCE SHARE PLAN

As at 30 June 2013, the Company has the following outstanding Share Awards:

Date of grant	Outstanding at 31.3.2013	Granted	Awarded by way of issue of new shares	Lapsed	Outstanding at 30.6.2013
19 July 2012	700,000	-	-	-	700,000
Total	700,000	-	-	-	700,000

As at 30 June 2013, no shares were held as treasury shares. There were no treasury shares transferred during the period under the Company's Employee Share Option Scheme and Performance Share Plan.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Issued Ordinary Shares	Number of Shares	
	As at 30.6.2013	As at 31.3.2013
Total number of issued shares	360,038,750	360,038,750
Total number of treasury shares	-	-
Total number of issued shares excluding treasury shares	360,038,750	360,038,750

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 March 2013, except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") which are relevant to the Group's operations and became effective for the financial period beginning on 1 April 2013.

a) Amendments to IAS 1 "Presentation of Financial Statements"

Amendments to IAS 1 titled Presentation of Items of Other Comprehensive Income introduce new terminology for statement of comprehensive income and income statement. Under the amendments to IAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

The amendments to IAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

b) IFRS 13 "Fair Value Measurement"

IFRS 13 "Fair Value Measurement" establishes a single source of guidance for all fair value measurements required or permitted by IFRSs. It clarifies the definition of fair value as an exit price, which is defined as a price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under market conditions, and enhances disclosures about fair value measurements.

The adoption of IFRS 13 only affects disclosures on fair value measurements in the consolidated financial statements. IFRS 13 has been applied prospectively.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of the new and revised International Financial Reporting Standards (“IFRSs”), which are effective for the financial period beginning on 1 April 2013, did not result in significant changes to the Group’s accounting policies or have any material impact on the Group’s and the Company’s financial statements.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	The Group	
	3 months ended 30 June 2013	3 months ended 30 June 2012 (Restated)
Earnings/(losses) per ordinary share based on the net profit/(loss) for the period		
(a) Based on weighted average number of ordinary shares on issue; and		
- continuing operations	HK 9.2 cents	HK 9.1 cents
- discontinued operations	-	HK (1.9) cents
	HK 9.2 cents	HK 7.2 cents
(b) On a fully diluted basis		
- continuing operations	HK 9.2 cents	HK 8.9 cents
- discontinued operations	-	HK (1.8) cents
	HK 9.2 cents	HK 7.1 cents
Number of ordinary shares in issue excluding treasury shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	360,038,750	358,600,000
Effect of potentially dilutive ordinary shares – Share options	1,986,504	4,866,263
Weighted average number of ordinary shares for the purpose of diluted earnings per share	362,025,254	363,466,263

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	30.6.2013	31.03.2013	30.6.2013	31.03.2013
	HK cents	HK cents	HK cents	HK cents
Net asset value per ordinary share based on issued share capital excluding treasury shares at the end of the period:	174.8	164.5	64.5	64.7
Number of ordinary shares in issue excluding treasury shares	360,038,750	360,038,750	360,038,750	360,038,750

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

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

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

Review – 3 months period ended 30 June 2013 ("Q1 FY2014") vs 3 months period ended 30 June 2012 ("Q1 FY2013")

Revenue (Continuing operations)

Revenue decreased by 2.6% or HK\$16.3 million from HK\$627.5 million in Q1 FY2013 to HK\$611.2 million in Q1 FY2014. Such decrease was mainly attributable to the decrease in revenue contribution from some of our Consumer Electronics customers but compensated by the increase in revenue contributions from some of our Industrial and Commercial Electronics customers.

Consumer Electronics revenue decreased by 9.5% to HK\$433.3 million (Q1 FY2013: HK\$478.9 million) mainly contributed by the change in sales mix from some of our Consumer Electronics customers.

Industrial and Commercial revenue increased by 19.7% to HK\$177.9 million (Q1 FY2013: HK\$148.6 million) mainly attributed to the increase in demand from some of our Industrial and Commercial customers.

Gross profit and gross profit margin (Continuing operations)

Gross profit increased by 6.6% to HK\$78.9 million (Q1 FY2013: HK\$73.9 million) while gross profit margin improved from 11.8% to 12.9%, mainly due to the change in product mix during the period.

Other income (Continuing operations)

Other income increased by 8.5% to HK\$2.5 million (Q1 FY2013: HK\$2.3 million). The increase was mainly contributed by the increase in net foreign exchange gains of HK\$0.2 million.

Selling and distribution costs (Continuing operations)

Selling and distribution costs increased by 15.2%. Such increase was mainly due to the increase in outward logistic costs to deal with increase in sales volume.

Administrative expenses (Continuing operations)

Administrative expenses increased by 5.2%. Such increase was mainly due to the increase in salaries for the Group's eligible employees during the period.

Profit before tax (Continuing operations)

As a result of the above, the profit before tax from continuing operations of Q1 FY2014 increased by 6.1% to HK\$39.3 million (Q1 FY2013: HK\$37.0 million).

Results of discontinued operations

The Licensing business was terminated during the year ended 31 March 2013. In Q1 FY2013, it contributed HK\$7.0 million to revenue and recorded HK\$6.7 million in loss before tax. No income tax expense was recorded as the Licensing business was loss making.

Financial position and cash flows

As at 30 June 2013, the Group had net current assets of HK\$418.0 million (31 March 2013: HK\$376.4 million), total assets of HK\$1,492.8 million (31 March 2013: HK\$1,112.4 million) and shareholders' funds of HK\$629.4 million (31 March 2013: HK\$592.2 million).

The Group's trade receivables increased by HK\$125.5 million from HK\$481.5 million as at 31 March 2013 to HK\$607.0 million as at 30 June 2013. The Group's trade payables increased by HK\$317.0 million from HK\$241.4 million as at 31 March 2013 to HK\$ 558.4 million as at 30 June 2013. The Group's inventories increased by HK\$79.4 million from HK\$178.4 million as at 31 March 2013 to HK\$257.8 million as at 30 June 2013. These changes are in line with the sales mix during the period.

The working capital of the Group as at 30 June 2013, which is the sum of trade receivables and inventories less trade payables, was HK\$306.4 million (31 March 2013: HK\$418.5 million).

As at 30 June 2013, the Group had cash and cash equivalents of HK\$396.2 million owing to better working capital management (31 March 2013: HK\$221.6 million). The Group had no bank borrowings as at 31 March 2013 and 30 June 2013.

Cash generated from operations during the period amounted to HK\$177.9 million compared to HK\$18.9 million in Q1 FY2013. The cash used in investing activities amounted to HK\$4.2 million (Q1 FY2013: HK\$6.5 million) and no cash was used in financing activities (Q1 FY2013: nil).

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

During Q1 FY2014, the Group experienced signs of recovery in demand and orders from both Consumer Electronics and Industrial and Commercial Electronics compared to second half of FY2013. In Consumer Electronics segment, although revenue dropped in Q1 FY2014 compared to Q1 FY2013, we experienced recovery in demands and orders during this quarter and revenue increased when compared to the last 2 quarters in FY2013. We have increased our production capacity to deal with such recovery in orders and are prepared to co-develop a semi-auto assembly line with one of our customers for its entry to mass market segment.

We continued to benefit from the growth from some of our major customers in the Industrial and Commercial Electronics segment. The transfers of production facilities from an existing customer as well as a new customer have further enhanced our product portfolio. In addition, our medical equipment business has widened our product portfolio with additional new features during the period. Although initial revenue contribution is low, such enrichment in product portfolio is an important progress of cooperation with customer recognising our on-going technical expertise.

We have terminated our Licensing business in August 2012. All relevant costs to fulfil our obligations after termination of the Licensing business have been accounted for in last financial year. We did not incur any more expenses related to the Licensing business during the period and do not expect further expenses for the rest of the financial year ending 31 March 2014 ("FY2014").

The Group will continue to remain vigilant in monitoring market developments and will continue with our efforts in improving our fundamentals, including design and development capabilities, production efficiencies and inventory management.

However, the uncertainties in the global economy and the recurring operational challenges, including costs and wage pressures in the PRC, are expected to continue. Business conditions for the Group will remain challenging in FY2014. Notwithstanding these challenges, the directors expect the Group to remain profitable.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared / recommended for Q1 FY2014.

- 13. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

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

- 14. Confirmation By Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST**

We, Tse Chong Hing and Chow Kok Kit, being two of the Directors of Valuetronics Holdings Limited (the “Company”), confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the 3 months period ended 30 June 2013 to be false or misleading in any material aspect.

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

Tse Chong Hing
Chairman and Managing Director

Chow Kok Kit
Executive Director

13 August 2013