

Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

Issuer/ Manager	VALUETRONICS HOLDINGS LIMITED
Securities	VALUETRONICS HOLDINGS LIMITED - BMG9316Y1084 - BN2

Announcement Details

Announcement Title	Financial Statements and Related Announcement
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Announcement Sub Title	Full Yearly Results
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Submitted By (Co./ Ind. Name)	Tse Chong Hing
Designation	Chairman & Managing Director
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please see attached: Media Release - Valuetronics' FY2014 net profit up 88% to reach HK\$147.9 million and announces dividend policy

Additional Details

For Financial Period Ended	31/03/2014
Attachments	VHL-FY2014 Media Release.pdf Total size =99K


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Valuetronics Holdings Limited
Unit 9-11, 7/F, Technology Park
No. 18 On Lai Street, Shatin,
New Territories, Hong Kong
Tel: (852) 2790 8278
Fax: (852) 2304 1851
www.valuetronics.com.hk

Media Release

Valuetronics' FY2014 net profit up 88% to reach HK\$147.9 million and announces dividend policy

- Higher gross profit and net margin due to change in product sales mix and significant growth in the Industrial and Commercial Electronics segment
- Operating activities generating substantial cash flow of HK\$303M, with HK\$478M net cash on hand as at year end
- Announces a dividend policy to pay out at 30% to 50% of net profit attributable to shareholders in any financial year
- Proposes Final Dividend of 16 HK cents per share and Special Dividend of 4 HK cents per share

Singapore, 28 May 2014 – Mainboard listed Valuetronics Holdings Limited (“Valuetronics”, “鸿通电子控股有限公司” or collectively with its subsidiaries, “the Group”), a premier design and manufacturing partner for the world’s leading brands in the Consumer Electronics (“CE”) and Industrial and Commercial Electronics (“ICE”) sectors, recorded strong profitability growth for its financial year ended 31 March 2014 (“FY2014”) with an 88.0% increase in its net profit attributable to shareholders.

Dividend Policy

The Board of Directors (the “Board”) of Valuetronics is also pleased to announce the establishment of a formal dividend policy which aims to provide shareholders of Valuetronics with an annual dividend payout of 30% to 50% of the net profit attributable to shareholders in the coming financial years, subject to certain terms and conditions, and the discretion of the Board.

The Board is recommending a Final Dividend of 16 HK cents per share and a Special Dividend of 4 HK cents per share for FY2014, both of which are subject to shareholders’ approval at the Annual General Meeting to be convened. In aggregate, the Final and Special dividends amount to 50% of the net profit attributable to shareholders for FY2014.

FY2014 Financial Highlights

HK\$'M <i>Unless otherwise stated</i>	Full Year ended 31 March		
	FY2014	FY2013	% Change
<i>Continuing Operations</i>			
Revenue	2,433.3	2,210.2	10.1
Gross Profit	326.8	270.2	20.9
GP Margin (%)	13.4	12.2	1.2 % pt
Profit for the year	147.9	118.5	24.9
<i>Discontinued Operations</i>			
Loss for the year	-	(39.8)	NM
Net Profit attributable to owners of the company	147.9	78.7	88.0

Valuetronics’ revenue for FY2014 increased by 10.1% from HK\$2.2 billion for the financial year ended 31 March 2013 (“FY2013”) to HK\$2.4 billion with revenue growth across both segments, particularly in the ICE segment.

Revenue of Segment			
HK\$'M	FY2014	FY2013	% Change
Consumer Electronics	1,653.4	1,581.4	4.6
Industrial & Commercial Electronics	779.9	628.8	24.0
Total	2,433.3	2,210.2	10.1

Revenue contributed by the Group's CE segment increased by 4.6% to HK\$1.7 billion from HK\$1.6 billion in FY2013, while revenue from ICE segment increased by 24.0% to HK\$779.9 million in FY2014 from HK\$628.8 million in FY2013.

The Group's gross profit for FY2014 increased by 20.9% to HK\$326.8 million from HK\$270.2 million in FY2013 with an improvement of 1.2 percentage points in gross profit margin from 12.2% to 13.4%. The improvement in gross profit margin was mainly due to the change in product sales mix in FY2014.

For FY2014, net profit attributable to shareholders increased significantly by 88.0% to HK\$147.9 million from HK\$78.7 million for FY2013.

Commenting on the strong growth, Mr Ricky Tse Chong Hing (“谢创兴”), Chairman and Managing Director of Valuetronics said: ***“Our last quarter in FY2014 concludes the positive momentum in our consistent growth throughout FY2014. In the coming financial year, we will continue to our success by expanding our customer base and supporting our customers in their product innovation and evolving needs.”***

Strong & Healthy Financial Position

As at 31 March 2014, net asset value per share of the Group was HK197.2 cents, with an increase of HK32.7 cents from HK164.5 cents as at 31 March 2013. Total assets grew to HK\$1.4 billion as at 31 March 2014 compared to HK\$1.1 billion as at 31 March 2013 due to significant

increase in cash and cash equivalents to HK\$477.9 million (31 March 2013: HK\$221.6 million) by better working capital management. Shareholders' funds were recorded at HK\$726.6 million compared to HK\$592.2 million as at 31 March 2013. The Group continues to have zero debt as at 31 March 2014.

Business Outlook

Valuetronics delivered a strong performance in FY2014, with expanding profit margins, significant growth in its ICE segment, and substantial cash flow generated from its operating activities.

The Group's ICE segment delivered record revenue this year with a widened customer base, as Valuetronics continues to benefit from the outsourcing trend in manufacturing. Its product portfolio was further enhanced with the transfers of production facilities from an existing customer as well as a new customer during FY2014.

The Group's CE segment, which saw creditable single digital revenue growth as a result of new products from existing customers, also saw increased profitability with greater operational efficiency and supply chain productivity.

The Group believes that with a gradually improving global economy, an expanding product portfolio and its on-going operating efficiency improvements will provide the foundation for continuous growth. To mitigate rising costs, the Group will make further effort to identify cost savings and new areas for efficiency improvements. It will continue to invest in automation and lean manufacturing initiatives to improve both labour efficiency and overall productivity, while focusing on cost improvements through value engineering, supplier productivity and quality enhancement.

Barring unforeseen circumstances, the Board expects the Group to remain profitable in the coming year.

End.

Note: This media release is to be read in conjunction with the results announcement and announcement on dividend policy issued on SGXnet on 28 May 2014.

About Valuetronics Holdings Limited

Valuetronics is a premier design and manufacturing partner for the world's leading brands. The Group's customer base covers the industrial and commercial electronics, medical equipment and consumer electronics industries, which span across a wide geographical region that covers America, Europe and the Asia Pacific. The Group's customers include OEMs and ODMs as well as international brand owners. Headquartered in Hong Kong, the Group's main manufacturing facility is located in Long Shan 2nd Road, Western District of Science and Technology Park, Dayawan Economy and Technology Development District, Huizhou City, Guangdong Province, PRC.