

## Financial Statements and Related Announcement::Full Yearly Results

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	VALUETRONICS HOLDINGS LIMITED
<b>Securities</b>	VALUETRONICS HOLDINGS LIMITED - BMG9316Y1084 - BN2
<b>Stapled Security</b>	No

## Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
<b>Date &amp; Time of Broadcast</b>	25-May-2016 07:08:33
<b>Status</b>	New
<b>Announcement Sub Title</b>	Full Yearly Results
<b>Announcement Reference</b>	SG160525OTHRUWXS
<b>Submitted By (Co./ Ind. Name)</b>	Tse Chong Hing
<b>Designation</b>	Chairman & Managing Director
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	Please see attached.

## Additional Details

<b>For Financial Period Ended</b>	31/03/2016
<b>Attachments</b>	<a href="#">📄Valuetronics-FY2016 Results.pdf</a> Total size =425K

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**VALUETRONICS HOLDINGS LIMITED**

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

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

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

**Consolidated Income Statement for the year ended 31 March 2016**

	The Group		
	Year ended 31 March		
	2016	2015	Change
	HK\$'000	HK\$'000	%
Revenue	1,952,896	2,429,251	-19.6
Cost of sales	(1,655,432)	(2,097,850)	-21.1
<b>Gross profit</b>	<b>297,464</b>	<b>331,401</b>	<b>-10.2</b>
Selling and distribution expenses	(25,267)	(34,680)	-27.1
Administrative expenses	(145,743)	(144,717)	0.7
Other income and gains, net	10,062	16,633	-39.5
<b>Operating profit</b>	<b>136,516</b>	<b>168,637</b>	<b>-19.0</b>
Finance costs	(824)	(954)	-13.6
<b>Profit before income tax</b>	<b>135,692</b>	<b>167,683</b>	<b>-19.1</b>
Income tax expense	(15,254)	(18,501)	-17.6
<b>Profit for the year</b>	<b>120,438</b>	<b>149,182</b>	<b>-19.3</b>
<b>Attributable to:</b>			
<b>Owners of the Company</b>	<b>120,438</b>	<b>149,182</b>	<b>-19.3</b>

## Consolidated Statement of Comprehensive Income for the year ended 31 March 2016

	The Group		
	Year ended 31 March		
	2016	2015	Change
	HK\$'000	HK\$'000	%
<b>Profit for the year</b>	<b>120,438</b>	<b>149,182</b>	<b>-19.3</b>
<b>Other comprehensive loss, net of tax</b>			
<i>Items that may be reclassified to profit or loss :</i>			
Currency translation differences*	(4,974)	(3,994)	24.5
<b>Total comprehensive income for the year</b>	<b>115,464</b>	<b>145,188</b>	<b>-20.5</b>
<b>Attributable to :</b>			
Owners of the Company	115,464	145,188	-20.5

\*: Representing exchange differences on translating the Group's subsidiaries in the PRC arising from the depreciation of Renminbi

**Note:**

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

	The Group	
	Year ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
Depreciation on property, plant and equipment	36,293	37,478
Amortisation on land use rights	483	497
Gain on disposals of property, plant and equipment	(659)	(932)
Interest income	(7,024)	(3,816)
Bank charges	824	954
Net exchange loss/(gain)	2,627	(2,236)
Net fair value gains on derivative financial instruments (Note 1)	(1,880)	(991)

Note 1: The Group entered into certain foreign exchange forward contracts to hedge against its exposure to Renminbi and Singapore Dollar (last year: Renminbi and Singapore Dollar) during the year. The net fair value gains on derivative financial instruments represented the unrealised gains on mark-to-market values of these contracts as at year end date and net exchange gain resulted from the settlement of these contracts during the year.

**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 31 March 2016**

	The Group		The Company	
	At 31.3.2016	At 31.3.2015	At 31.3.2016	At 31.3.2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Land use rights	19,001	20,450	-	-
Property, plant and equipment	163,637	171,628	-	-
Investments in subsidiaries	-	-	83,330	83,330
Available-for-sale financial assets	71,904	59,267	-	-
Others	238	250	-	-
<b>Total non-current assets</b>	<b>254,780</b>	<b>251,595</b>	<b>83,330</b>	<b>83,330</b>
<b>Current assets</b>				
Inventories	198,682	221,946	-	-
Trade receivables	343,155	516,966	-	-
Other receivables and prepayments	9,468	18,742	426	175
Due from subsidiaries	-	-	332,775	288,152
Available-for-sale financial assets	10,606	7,590	-	-
Cash and cash equivalents	689,260	505,847	4,919	284
<b>Total current assets</b>	<b>1,251,171</b>	<b>1,271,091</b>	<b>338,120</b>	<b>288,611</b>
<b>Total assets</b>	<b>1,505,951</b>	<b>1,522,686</b>	<b>421,450</b>	<b>371,941</b>
<b>EQUITY</b>				
Share capital	38,014	37,473	38,014	37,473
Treasury shares	(1,980)	-	(1,980)	-
Reserves	821,265	771,070	385,134	334,080
<b>Total equity</b>	<b>857,299</b>	<b>808,543</b>	<b>421,168</b>	<b>371,553</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred income tax liabilities	3,023	1,629	-	-
<b>Total non-current liabilities</b>	<b>3,023</b>	<b>1,629</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade payables	286,209	347,393	-	-
Other payables and accruals	338,534	335,794	282	388
Current income tax liabilities	20,886	27,447	-	-
Derivative financial instruments	-	1,880	-	-
<b>Total current liabilities</b>	<b>645,629</b>	<b>712,514</b>	<b>282</b>	<b>388</b>
<b>Total liabilities</b>	<b>648,652</b>	<b>714,143</b>	<b>282</b>	<b>388</b>
<b>Total equity and liabilities</b>	<b>1,505,951</b>	<b>1,522,686</b>	<b>421,450</b>	<b>371,941</b>
<b>Net current assets</b>	<b>605,542</b>	<b>558,577</b>	<b>337,838</b>	<b>288,223</b>
<b>Total assets less current liabilities</b>	<b>860,322</b>	<b>810,172</b>	<b>421,168</b>	<b>371,553</b>

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

As at 31 March 2016		As at 31 March 2015	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nil	Nil	Nil	Nil

**Amount repayable after one year**

As at 31 March 2016		As at 31 March 2015	
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 year ended 31 March 2016**

	<b>The Group</b>	
	<b>Year ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations:		
Profit before income tax	135,692	167,683
Adjustments for :		
Amortisation on land use rights	483	497
Depreciation on property, plant and equipment	36,293	37,478
Gain on disposals of property, plant and equipment	(659)	(932)
Net fair value gains on derivative financial instruments	(1,880)	(991)
Cash settlement for the awards granted	-	(616)
Equity-settled share-based payments	5,336	4,749
Interest income	(7,024)	(3,816)
<b>Operating profit before working capital changes</b>	<b>168,241</b>	<b>204,052</b>
Decrease/(increase) in inventories	23,264	(23,072)
Decrease in trade receivables	173,811	247
Decrease/(increase) in other receivables and prepayments	2,822	(6,320)
Decrease in trade payables	(61,184)	(6,629)
Increase in other payables and accruals	2,740	21,734
<b>Net cash generated from operations</b>	<b>309,694</b>	<b>190,012</b>
Income tax paid	(20,421)	(13,436)
<b>Net cash generated from operating activities</b>	<b>289,273</b>	<b>176,576</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(26,887)	(29,945)
Proceeds from disposal of property, plant and equipment	1,389	1,432
Purchase of available-for-sale financial assets	(23,243)	(55,158)
Redemption of available-for-sale financial assets	7,590	-
Interests received	7,024	3,470
<b>Net cash used in investing activities</b>	<b>(34,127)</b>	<b>(80,201)</b>
<b>Cash flows from financing activities</b>		
Purchase of Treasury Shares	(1,980)	-
Dividends paid	(75,478)	(74,618)
Proceeds from shares issued in exercise of share options	5,414	7,273
<b>Net cash used in financing activities</b>	<b>(72,044)</b>	<b>(67,345)</b>
<b>Net increase in cash and cash equivalents</b>	<b>183,102</b>	<b>29,030</b>
Effect of foreign exchange rate changes	311	(1,117)
Cash and cash equivalents at beginning of the financial year	505,847	477,934
<b>Cash and cash equivalents at end of the financial year</b>	<b>689,260</b>	<b>505,847</b>

**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 for the year ended 31 March 2016**

The Group	Attributable to the owners of the Company								
	Reserves								
	Share capital	Treasury share	Share premium	Share-based payment reserve	Currency translation reserve	Statutory reserve (Note)	Retained earnings	Total reserves	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2015	37,473	-	112,471	5,808	23,333	2,873	626,585	771,070	808,543
Total comprehensive income for the year	-	-	-	-	(4,974)	-	120,438	115,464	115,464
Dividends paid	-	-	-	-	-	-	(75,478)	(75,478)	(75,478)
Issue of shares on exercise of share options	541	-	4,873	-	-	-	-	4,873	5,414
Transfer to share premium under exercise of share options	-	-	3,178	(3,178)	-	-	-	-	-
Share-based payments	-	-	-	5,336	-	-	-	5,336	5,336
Lapse of share-based payments	-	-	-	(137)	-	-	137	-	-
Transfer to statutory reserve	-	-	-	-	-	190	(190)	-	-
Purchase of treasury shares	-	(1,980)	-	-	-	-	-	-	(1,980)
Changes in equity for the financial year	541	(1,980)	8,051	2,021	(4,974)	190	44,907	50,195	48,756
<b>Balance at 31 March 2016</b>	<b>38,014</b>	<b>(1,980)</b>	<b>120,522</b>	<b>7,829</b>	<b>18,359</b>	<b>3,063</b>	<b>671,492</b>	<b>821,265</b>	<b>857,299</b>
Balance at 1 April 2014	36,838	-	102,011	5,655	27,327	2,461	552,275	689,729	726,567
Total comprehensive income for the year	-	-	-	-	(3,994)	-	149,182	145,188	145,188
Dividends paid	-	-	-	-	-	-	(74,618)	(74,618)	(74,618)
Issue of shares on exercise of share options	635	-	6,638	-	-	-	-	6,638	7,273
Transfer to share premium under exercise of share options	-	-	3,822	(3,822)	-	-	-	-	-
Share-based payments	-	-	-	4,749	-	-	-	4,749	4,749
Lapse of share-based payments	-	-	-	(158)	-	-	158	-	-
Transfer to statutory reserve	-	-	-	-	-	412	(412)	-	-
Others	-	-	-	(616)	-	-	-	(616)	(616)
Changes in equity for the financial year	635	-	10,460	153	(3,994)	412	74,310	81,341	81,976
<b>Balance at 31 March 2015</b>	<b>37,473</b>	<b>-</b>	<b>112,471</b>	<b>5,808</b>	<b>23,333</b>	<b>2,873</b>	<b>626,585</b>	<b>771,070</b>	<b>808,543</b>

The Company	Reserves							Total equity
	Share capital	Treasury Share	Share premium	Share-based payment reserve	Contributed surplus	Retained earnings	Total reserves	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2015	37,473	-	112,471	5,808	67,239	148,562	334,080	371,553
Total comprehensive income for the year	-	-	-	-	-	116,323	116,323	116,323
Dividends paid	-	-	-	-	-	(75,478)	(75,478)	(75,478)
Issue of shares on exercise of share options	541	-	4,873	-	-	-	4,873	5,414
Transfer to share premium under exercise of share options	-	-	3,178	(3,178)	-	-	-	-
Share-based payments	-	-	-	5,336	-	-	5,336	5,336
Lapse of share-based payments	-	-	-	(137)	-	137	-	-
Purchase of treasury shares	-	(1,980)	-	-	-	-	-	(1,980)
Changes in equity for the financial year	541	(1,980)	8,051	2,021	-	40,982	51,054	49,615
<b>Balance at 31 March 2016</b>	<b>38,014</b>	<b>(1,980)</b>	<b>120,522</b>	<b>7,829</b>	<b>67,239</b>	<b>189,544</b>	<b>385,134</b>	<b>421,168</b>
Balance at 1 April 2014	36,838	-	102,011	5,655	67,239	82,853	257,758	294,596
Total comprehensive income for the year	-	-	-	-	-	140,169	140,169	140,169
Dividends paid	-	-	-	-	-	(74,618)	(74,618)	(74,618)
Issue of shares on exercise of share options	635	-	6,638	-	-	-	6,638	7,273
Transfer to share premium under exercise of share options	-	-	3,822	(3,822)	-	-	-	-
Share-based payments	-	-	-	4,749	-	-	4,749	4,749
Lapse of share-based payments	-	-	-	(158)	-	158	-	-
Others	-	-	-	(616)	-	-	(616)	(616)
Changes in equity for the financial year	635	-	10,460	153	-	65,709	76,322	76,957
<b>Balance at 31 March 2015</b>	<b>37,473</b>	<b>-</b>	<b>112,471</b>	<b>5,808</b>	<b>67,239</b>	<b>148,562</b>	<b>334,080</b>	<b>371,553</b>

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.**

### SHARE CAPITAL

As at 31 March 2016, the number of ordinary shares in issue was 380,138,750 of which 925,400 were held by the Company as treasury shares. The share capital was \$38.0 million. (31 March 2015: 374,726,250 ordinary shares of which nil was held as treasury shares.)

### SHARE OPTIONS

As at 31 March 2016, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2015	Additions	Share options exercised	Lapsed	Balance as at 31.3.2016
Incentive Options (Note 1)	S\$0.174	462,500	-	(462,500)	-	-
	S\$0.201	2,200,000	-	(2,200,000)	-	-
	S\$0.162	5,050,000	-	(2,750,000)	(100,000)	2,200,000
	S\$0.406	6,000,000	-	-	(150,000)	5,850,000
	S\$0.295	-	6,500,000	-	-	6,500,000
<b>Total</b>		<b>13,712,500</b>	<b>6,500,000</b>	<b>(5,412,500)</b>	<b>(250,000)</b>	<b>14,550,000</b>

As at 31 March 2015, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2014	Additions	Share options exercised	Lapsed	Balance as at 31.3.2015
(a) Incentive Options (Note 1)	S\$0.150	850,000	-	(850,000)	-	-
	S\$0.160	50,000	-	(50,000)	-	-
	S\$0.174	2,712,500	-	(2,250,000)	-	462,500
	S\$0.201	4,800,000	-	(2,600,000)	-	2,200,000
	S\$0.162	5,100,000	-	-	(50,000)	5,050,000
	S\$0.406	-	6,000,000	-	-	6,000,000
(b) Market Options (Note 2)	S\$0.215	200,000	-	(200,000)	-	-
	S\$0.184	400,000	-	(400,000)	-	-
<b>Total</b>		<b>14,112,500</b>	<b>6,000,000</b>	<b>(6,350,000)</b>	<b>(50,000)</b>	<b>13,712,500</b>

#### 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**

The Company has no outstanding performance shares as at 31 March 2016 and 2015.

**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.**

Total number of issued shares

As at 31 March 2015	374,726,250
Issuance and allotment of shares pursuant to:	
- Employee Share Option Scheme on 27 July 2015	2,662,500
- Employee Share Option Scheme on 17 Aug 2015	2,750,000
As at 31 March 2016	<u>380,138,750</u>

Total number of treasury shares

As at 31 March 2015	-
Purchase of Treasury shares:	
- 100,000 shares on 13 Nov 2015	(100,000)
- 200,000 shares on 1 Dec 2015	(200,000)
- 200,000 shares on 14 Jan 2016	(200,000)
- 425,400 shares on 5 Feb 2016	(425,400)
As at 31 March 2016	<u>(925,400)</u>

Total number of issued shares excluding treasury shares 379,213,350

**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.**

During the current financial year ended as at 31 March 2016, the Company has purchased total of 925,400 treasury shares (Last year: nil).

**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 2015. The adoption of the new and revised IFRSs, which are effective for the financial period beginning on 1 April 2015, 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.

**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.**

Not applicable

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	
	Year ended 31 March 2016	Year ended 31 March 2015
Earnings per ordinary share based on the profit for the year (a) Based on weighted average number of ordinary shares on issue; and (b) on a fully diluted basis	HK 31.9 cents HK 31.7 cents	HK 40.0 cents HK 39.9 cents
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	378,038,108	372,745,394
Effect of potentially dilutive ordinary shares – Share options	1,921,756	1,289,111
Weighted average number of ordinary shares for the purpose of diluted earnings per share	379,959,864	374,034,505

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	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	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 year:	226.1	215.8	111.1	99.2
Number of ordinary shares in issue excluding treasury shares	379,213,350	374,726,250	379,213,350	374,726,250

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 electronics products (“Industrial and Commercial”).

**Review – Full year results ended 31 March 2016 (“FY2016”) vs Full year results ended 31 March 2015 (“FY2015”)****Revenue**

Revenue decreased by 19.6% or HK\$476.4 million from HK\$2,429.3 million in FY2015 to HK\$1,952.9 million in FY2016.

Industrial and Commercial Electronics revenue increased by 18.0% to HK\$1,128.3 million (FY2015: HK\$956.3 million). Such increase was mainly contributed by the increase in demand from some of our Industrial and Commercial Electronics customers and a new customer within this segment.

Consumer Electronics revenue decreased by 44.0% to HK\$824.6 million (FY2015: HK\$1,473.0 million), which was mainly due to the decline in sales of LED lighting products as mass market LED light bulbs (comprising 90% of LED lighting products) have reached end-of-life cycle. In fact, we have completed all the orders of mass market LED light bulbs and have since ceased production of mass market LED light bulbs in Q3 FY2016.

**Gross profit and gross profit margin**

Gross profit decreased by 10.2% to HK\$297.5 million and gross profit margin improved to 15.2% (FY2015: 13.6%). Such change in gross profit margin was mainly due to the change in product sales mix during the year.

**Other income and gains, net**

Other income decreased by 39.5% to HK\$10.1 million. Such decrease was mainly due to recognition of exchange losses with respect to the depreciation of Renminbi during the year.

**Selling and distribution costs**

Selling and distribution costs decreased by 27.1% to HK\$25.3 million. Such decrease was mainly due to continuous strict control in marketing expenses and write-back of provision for sales returns and warranty amounted to HK\$6.3 million.

**Administrative expenses**

Administrative expenses was HK\$145.7 million (FY2015: HK\$144.7 million).

**Profit for the year**

As a result of the above, profit for the year decreased by 19.3% to HK\$120.4 million.

**Financial position and cash flows**

As at 31 March 2016, the Group had net current assets of HK\$605.5 million (31 March 2015: HK\$558.6 million), total assets of HK\$1,506.0 million (31 March 2015: HK\$1,522.7 million) and shareholders' funds of HK\$857.3 million (31 March 2015: HK\$808.5 million).

The Group's trade receivables decreased by HK\$173.8 million from HK\$517.0 million as at 31 March 2015 to HK\$343.2 million as at 31 March 2016. The Group's trade payables decreased by HK\$61.2 million from HK\$347.4 million as at 31 March 2015 to HK\$286.2 million as at 31 March 2016. The Group's inventories decreased by HK\$23.2 million from HK\$221.9 million as at 31 March 2015 to HK\$198.7 million as at 31 March 2016.

The working capital of the Group as at 31 March 2016, which is the sum of trade receivables and inventories less trade payables, was HK\$255.7 million (31 March 2015: HK\$391.5 million). The decrease in net working capital, reflecting the movement in trade receivables, inventories and trade payables, was in line with the drop in revenue during the year.

With the strong free cash flow generated by the Group, cash and cash equivalents increased from HK\$505.8 million as at 31 March 2015 to HK\$689.3 million as at 31 March 2016 after the distribution of cash dividend of HK\$75.5 million. Over 95% of its cash and cash equivalents were placed in reputable financial institutions in Hong Kong. For the remaining balance, mainly in the PRC, the cash and cash equivalents were placed in equivalent reputable financial institutions. The cash and cash equivalents are annually audited by the Group's auditors.

The Group had no bank borrowings as at 31 March 2016 (31 March 2015: 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 the year, Valuetronics continued to benefit from the widened customer base in the Industrial and Commercial Electronics ("ICE") segment, and the significant growth in this segment has mitigated the decline in Consumer Electronics ("CE") revenue, in particular the mass market LED light bulbs. Overall gross profit margin improved with increased weightage in ICE segment. Our working capital remained healthy with operating activities generated a relatively substantial cash flow of HK\$289.3 million for FY2016 (FY2015: HK\$176.6 million), notwithstanding a decline in our revenue.

After years of aggressive pricing competition and margins erosion, Valuetronics completely moved out of the low-margin mass market LED light bulbs business during the year as these light bulbs reached the end of their lifecycle. CE revenue in the second half of FY2016 comprised predominantly products with consumer applications for a portfolio of customers.

ICE segment continued to deliver solid growth in FY2016, the third consecutive year of double digit growth. The growth came from some of our existing customers as well as new revenue stream from the automotive industry. It is worthy to know that Valuetronics's quality management system had earlier been accredited with the TS16949 standard which is a prerequisite for participating supply chain of automotive industry. During the year, Valuetronics acquired its first customer in the automotive industry, one of the world's largest tier-1 automotive system manufacturers with a global footprint, to supply data and media connectivity modules. These connectivity modules provide intelligent power and data connectivity for portable smartphone/tablets devices and in-car infotainment systems, allowing users to safely access content in the vehicle through emerging infotainment software solutions. Valuetronics is well positioned to ride on the rise of in-car connectivity as automobile manufacturers respond quickly to consumers' increasing desire to integrate their smartphones and tablets with their vehicles.

In common with most manufacturers, we are operating in an uncertain macro-economic environment. We remain mindful on the impact on our overall business which may result from a stronger US dollar and a further slowdown in China's economy.

Barring unforeseen circumstances, we expect the Group to remain profitable in the coming financial year.

**11. Dividend****(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per Share (in HK cents)	HK 13 cents per ordinary share	HK 7 cents per ordinary share
Tax Rate	Not applicable	Not applicable

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

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

Yes.

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per Share (in HK cents)	HK 16 cents per ordinary share	HK 4 cents per ordinary share
Tax Rate	Not applicable	Not applicable

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

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

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**(a) Business segments**

The Group has two reportable segments as follows:

Consumer – consumer electronics

Industrial – industrial and commercial electronics

Year ended 31 March 2016	Consumer	Industrial	Total
	HK\$'000	HK\$'000	HK\$'000
Segment revenue	824,639	1,128,257	1,952,896
Segment profit	92,817	192,617	285,434
Unallocated corporate expenses			(164,996)
Profit for the year			120,438

Year ended 31 March 2015	Consumer	Industrial	Total
	HK\$'000	HK\$'000	HK\$'000
Segment revenue	1,473,010	956,241	2,429,251
Segment profit	144,395	180,196	324,591
Unallocated corporate expenses			(175,409)
Profit for the year			149,182

**(b) Geographical segments**

Revenue of geographical segments of principal markets are analyzed by shipment destination.

	Year ended 31 March 2016	Year ended 31 March 2015
	HK\$'000	HK\$'000
United States of America	1,002,578	1,156,181
People's Republic of China	548,374	599,803
Hong Kong	110,122	127,352
Canada	52,842	151,979
Netherlands	21,055	123,097
Other countries	217,925	270,839
Total	1,952,896	2,429,251

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

Please refer to item 8 above.

**15. A breakdown of sales.**

	Year ended 31 March 2016 HK\$'000	Year ended 31 March 2015 HK\$'000	Change %
(a) Sales from operations reported for first half year	1,076,577	1,254,248	-14.2
(b) Operating profit after tax reported for first half year	65,687	70,175	-6.4
(c) Sales from operations reported for second half year	876,319	1,175,003	-25.4
(d) Operating profit after tax reported for second half year	54,751	79,007	-30.7

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

	Year ended 31 March 2016	Year ended 31 March 2015
	HK\$'000	HK\$'000
<b>Ordinary</b>	75,843	75,478
<b>Preference</b>	N/A	N/A
<b>Total</b>	75,843	75,478

**17. 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 not IPT mandate has been obtained, a statement to that effect.**

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

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

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

**19. Confirmation By the Company Pursuant to Rule 720(1) of the Listing Rules of Singapore Exchange Securities Trading Limited**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the Listing Rules of the SGX-ST.

**BY ORDER OF THE BOARD**

**Tse Chong Hing**  
Chairman and Managing Director  
25 May 2016