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Miscellaneous	
* 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	25-Mar-2010 20:18:00
Announcement No.	00133

>> Announcement Details	
The details of the announcement start here ...	
Announcement Title *	MEDIA RELEASE - VALUETRONICS COVERS WHOLE VALUE CHAIN WITH LICENSE TO USE WHIRLPOOL, MAYTAG AND AMANA BRANDS FOR AIR PURIFIER APPLIANCE IN NORTH AMERICAN MARKET
Description	PLEASE SEE ATTACHED
Attachments	 Media_Release_Licensing_Arrangement.pdf Total size = 186K (2048K size limit recommended)

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Media Release - For Immediate Release

VALUETRONICS COVERS WHOLE VALUE CHAIN WITH LICENSE TO USE WHIRLPOOL, MAYTAG AND AMANA BRANDS FOR AIR PURIFIER APPLIANCE IN NORTH AMERICAN MARKET

Singapore, 25 March 2010 - 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, commercial and industrial electronics sectors, wishes to announce that its wholly owned Subsidiary Honor Tone Limited (“HTL”), has entered into a licensing arrangement with Whirlpool Properties, Inc., Maytag Corporation and Maytag Limited (collectively “WPI”) for the exclusive, non-transferrable right to use the “**Whirlpool**”, “**Maytag**” and “**Amana**” brands (collectively, the “Licensed Brands”) in the air treatment category, specifically for the portable Air Purifier appliance for the North American market (the “Licensing Arrangement”).

The licensing agreement was originally entered by The SEMK Group Limited’s group companies with WPI on 1 July 2008 for the exclusive, non-transferrable right to use the Licensed Brands for the Licensed Product in the North American market, which was later assigned with WPI’s concurrence, to HTL and Master Brands HK Limited (“MBHK”) on 25 March 2010. Valuetronics takes over the entire assigned licensing agreement with the acquisition of MBHK by its wholly owned subsidiary, Value Chain Limited.

The assigned Licensing Arrangement is for a period of six years from 1 January 2010 to 31 December 2015, with WPI granting an option to renew for a further four years to 31 December 2019, subject to the fulfillment of certain conditions. (Kindly refer to the SGXnet announcement dated 25 March 2010 for more details).

Commenting on the Licensing Agreement, Mr Ricky Tse Chong Hing, Chairman and Managing Director of Valuetronics Holdings Limited said: *“With this Licensing Arrangement, we can enhance our EMS business model to cover the full value chain, comprising product design, manufacturing, marketing, and the sales and distribution of products with renowned brands. We believe this enhanced business model will deliver greater shareholder value by taking Valuetronics to the next level.”*

Rationale for Licensing Arrangement

The Group is of the view that the Licensing Arrangement will enhance its existing Electronic Manufacturing Service (EMS) business model to encompass product brand management, marketing and the sales and distribution of goods at the retail level. As such, the Group will continue to carry out its original design manufacturing (ODM) activities in China as well as the marketing, and the sales and distribution of the air purifier appliance in North America under the Licensed Brands.

In addition, the Licensing Arrangement will allow Valuetronics to co-own the intellectual property for the existing Air Purifier technology platform developed by WPI, and the future ownership of new product designs and configurations that it develops. The market introduction of any new models or series of the Licensed Product in the future will also be easier as the Licensed Brands already have an established market presence and customer brand loyalty.

The Licensing Arrangement will also provide an inroad for discussions with WPI for additional business opportunities, such as the award of licenses for new geographical markets, and/or the introduction of new products under the air treatment category. It also serves to showcase Valuetronics’ brand management capabilities to other brand

owners for the pursuit of new licensing opportunities and demonstrates the Group's product development capabilities to other customers, which will benefit its existing ODM business in the long run.

Market Potential

The Group believes that the North American market for air purification equipment has been gaining momentum, as a result of rising concerns over indoor air quality and increasing health consciousness among consumers. Air purification equipment today can now be found in a large number of residential homes and commercial workspaces. Furthermore, media coverage of poor indoor air quality, health-related issues, and the outbreak of epidemics has played an important role in increasing consumer awareness about the importance of indoor air quality in homes, commercial buildings, and schools. According to the Housewares Census 2010 conducted by HomeWorld Business magazine, the retail sales of air cleaners in the US reached 4.7 million units with a sales value of US\$518.2 million in 2009.

"I believe that the potential market in North America for air purifiers is very attractive. Product development is not new to us as we are in the ODM business and we already have a product roadmap in place to address the market. On the marketing front we will be working with local partners while we build up our own in-house sales and marketing team" remarked Mr Ricky Tse.

Next Steps

As part of its brand management plans for the portable Air Purifiers, the Group has an initial product roadmap in place. In the near term, the Group plans to roll out:

- Version 1 product series (3 models each for Whirlpool and Maytag) which will be launched by the second quarter of 2010;

- Version 1.5 product series (2 models each for Whirlpool and Maytag with optional features that retailers can choose from) targeted for the end of 2010; and
- Two new 'Tower' product series targeted for the end of 2010 to early 2011 (3 models for Whirlpool and 2 models for Maytag).

To ensure smooth retail channel fulfillment in North America, the Group will appoint third-party logistics provider M. Blocks and Sons. Inc. ("MBS"), which specialises in real-time, end-to-end distribution and fulfillment solutions for manufacturers and consumer goods companies.

The Group will progressively build up its own in-house sales and marketing team that will target the large retail chains, specialty store chains and other retail channels in North America. For a start, MBS will act as a distributor to MBS' clients which include Lowe's, Target, Kohl's, Sears, JC Penney, and Macy's to name a few, while the Group will appoint commission-based US sales representatives to target specialty store chains and other retail channels including Canadian Tire, Amazon, National Allergy Bureau, Home Depot etc, as well as hospitals and clinics.

To help with customer service enquiries, the Group will appoint CCRG Teleservices LLC ("CCRG") as its US call center. CCRG will also take call-in direct orders and provide technical support over the phone.

The Licensing Arrangement is not expected to have a material impact on the financial performance of the Group for the current financial period ending 31 March 2010 ("FY2010").

- End -

**Issued for and on behalf of Valuetronics Holdings Limited
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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, telecommunications, 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 such as "DYMO", "TRANSACT", "GRACO", "HEMISPHERE", "HID", "KITCHENAID", and "PHILIPS". Leveraging on its product design and development capabilities, Valuetronics has also moved into brand management with the exclusive license to use the "WHIRLPOOL", "MAYTAG" and "AMANA" brands for portable air purifiers in the North American market. Headquartered in Hong Kong, the Group's main manufacturing facility is located in Dong Er Road, Western District of Science and Technology Park, Daya Bay Economy and Technology Development District, Huizhou City, Guangdong Province, PRC.