

**VALUETRONICS HOLDINGS LIMITED**

(Incorporated in Bermuda)

(Co. Reg. No: 38813)

**THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2008****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	The Group			The Group		
	9 months ended 31 December			3 months ended 31 December		
	2008	2007	Change	2008	2007	Change
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Revenue	800,774	679,303	17.9	247,866	239,503	3.5
Cost of Sales	(658,345)	(540,606)	21.8	(209,269)	(194,110)	7.8
Gross Profit	142,429	138,697	2.7	38,597	45,393	-15.0
Other income	3,761	7,380	-49.0	578	1,882	-69.3
Selling and distribution costs	(17,102)	(14,645)	16.8	(5,366)	(4,792)	12.0
Administrative expenses	(52,885)	(50,855)	4.0	(17,167)	(17,894)	-4.1
Net other operating (loss)/gain	(12,430)	121	N.M.	(2,223)	-	N.M.
Profit From Operations	63,773	80,698	-21.0	14,419	24,589	-41.4
Finance costs	(359)	(241)	49.0	(141)	(80)	76.3
Profit Before Tax	63,414	80,457	-21.2	14,278	24,509	-41.7
Income tax expense	(7,651)	(9,655)	-20.8	(1,755)	(2,941)	-40.3
Profit attributable to shareholders of the Company	55,763	70,802	-21.2	12,523	21,568	-41.9

N.M.: Not Meaningful

**Note:**

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

	The Group		The Group	
	9 months ended 31 Dec		3 months ended 31 Dec	
	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation	14,541	9,155	6,039	3,150
Amortisation of prepaid land lease payments and land use rights	358	69	119	23
Gain on disposals of property, plant and equipment	-	(429)	-	(262)
Allowance/(Reversal) for doubtful debts	2,430	(121)	2,223	-
Interest income	(2,218)	(5,232)	(658)	(2,258)
Interest expenses	1	-	1	-
Bank charges	358	239	140	79
Net exchange loss	2,223	201	1,557	1,147
Impairment loss recognised in respect of flash floods that occurred on 13 June 2008 at the Danshui plant	10,000	-	-	-

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

	The Group		The Company	
	At 31.12.2008	At 31.3.2008	At 31.12.2008	At 31.3.2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Non-current assets</b>				
Prepaid land lease payments and land use rights	23,721	24,079	-	-
Property, plant and equipment	147,370	97,216	-	-
Investments in subsidiaries	-	-	83,330	83,330
Club membership, at cost	200	200	-	-
Long term receivables (Note 1)	2,170	2,090	-	-
	173,461	123,585	83,330	83,330
<b>Current assets</b>				
Available-for-sale financial assets (Note 2)	13,948	3,850	-	-
Inventories	100,051	110,378	-	-
Trade receivables	162,639	135,577	-	-
Bills receivables	1,380	-	-	-
Prepaid land lease payments and land use rights	525	525	-	-
Prepayments, deposits and other receivables	17,485	6,304	38	217
Long term receivables – current portion (Note 1)	1,100	550	-	-
Due from subsidiaries	-	-	99,948	110,300
Bank and cash balances	116,657	181,691	329	23,945
	413,785	438,875	100,315	134,462
<b>Total assets</b>	587,246	562,460	183,645	217,792
<b>Current liabilities</b>				
Trade payables	112,110	120,565	-	-
Accruals, other payables and deposits received	137,880	136,305	568	1,635
Current tax liabilities	13,768	6,636	-	-
	263,758	263,506	568	1,635
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,371	1,371	-	-
<b>Total liabilities</b>	265,129	264,877	568	1,635
	322,117	297,583	183,077	216,157
<b>Equity attributable to shareholders of the Company</b>				
Share capital	35,500	35,500	35,500	35,500
Treasury share	(2,176)	-	(2,176)	-
Reserves	288,793	262,083	149,753	180,657
<b>Total equity</b>	322,117	297,583	183,077	216,157

Note 1: The increase of HK\$0.6 million in Long term receivables was due to a new deposit placed to a vocational training school in PRC, for the provision of on-the-job training to selected students. These receivables are interest-free and guaranteed by the legal representatives of the vocational schools.

Note 2: The increase in available-for-sale financial assets was due to investment in Senior Notes of Citigroup. Available-for-sale financial assets are measured at fair value.

### 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 December 2008		As at 31 March 2008	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
nil	nil	nil	nil

#### Amount repayable after one year

As at 31 December 2008		As at 31 March 2008	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
nil	nil	nil	nil

#### Details of any collateral

None

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

	The Group		The Group	
	9 months ended 31 Dec		3 months ended 31 Dec	
	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	63,414	80,457	14,278	24,509
Adjustments for :				
Amortisation of prepaid land lease payments and land use rights	358	69	119	23
Equity-settled share-based payments	289	80	123	49
Depreciation	14,541	9,155	6,039	3,150
Gain on disposals of property, plant and equipment	-	(429)	-	(262)
Impairment loss recognised in respect of flash floods that occurred on 13 June 2008 at the Danshui plant	10,000	-	-	-
Interest expenses	1	-	1	-
Interest income	(2,218)	(5,232)	(658)	(2,258)
<b>Operating profit before working capital changes</b>	<b>86,385</b>	<b>84,100</b>	<b>19,902</b>	<b>25,211</b>
Increase in long term receivables	(630)	-	-	-
(Increase)/Decrease in inventories	10,327	(28,939)	32,358	(8,238)
Increase/(Decrease) in trade receivables	(27,062)	(25,037)	59,988	(1,084)
Increase in bills receivables	(1,380)	-	(230)	-
Increase in prepayments, deposits and other receivables	(21,181)	(3,854)	(6,594)	(1,837)
(Decrease)/Increase in trade payables	(8,455)	18,756	(71,206)	(2,220)
Decrease in accruals, other payables and deposits received	1,575	2,134	1,938	7,437
<b>Cash generated from operations</b>	<b>39,579</b>	<b>47,160</b>	<b>36,156</b>	<b>19,269</b>
Income tax paid	(519)	(2,050)	(519)	-
Interest paid	(1)	-	(1)	-
<b>Net cash generated from operating activities</b>	<b>39,059</b>	<b>45,110</b>	<b>35,636</b>	<b>19,269</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(64,695)	(47,807)	(4,907)	(26,290)
Purchase of available-for-sale financial assets	(39,000)	(23,626)	-	(19,726)
Proceeds from disposals of available-for-sale financial assets	27,250	23,616	3,850	23,616
Proceeds from disposal of property, plant and equipment	-	568	-	323
Interest received	2,218	5,232	658	2,258
<b>Net cash used in investing activities</b>	<b>(74,227)</b>	<b>(42,017)</b>	<b>(399)</b>	<b>(19,819)</b>
<b>Cash flows from financing activities</b>				
Dividend paid	(27,690)	(22,365)	-	-
Repurchase of shares	(2,176)	-	(1,537)	-
<b>Net cash used in financing activities</b>	<b>(29,866)</b>	<b>(22,365)</b>	<b>(1,537)</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(65,034)</b>	<b>(19,272)</b>	<b>33,700</b>	<b>(550)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>181,691</b>	<b>176,590</b>	<b>82,957</b>	<b>157,868</b>
<b>Cash and cash equivalents at end of the period</b>	<b>116,657</b>	<b>157,318</b>	<b>116,657</b>	<b>157,318</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.**

The Group	Attributable to the shareholders of the Company										
	Reserves										Total
	Share capital	Treasury shares	Share premium	Share-based payment reserve	Translation reserve	Dividend reserve	Statutory reserve (note 1)	Investment revaluation reserve	Retained earnings	Total reserves	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 April 2008	35,500	-	85,591	130	6,141	-	94	-	170,127	262,083	297,583
Net profit for the period	-	-	-	-	-	-	-	-	55,763	55,763	55,763
Share-based payments	-	-	-	289	-	-	-	-	-	289	289
Loss on fair value changes of available-for-sale financial assets	-	-	-	-	-	-	-	(1,652)	-	(1,652)	(1,652)
Final dividend paid in respect of the previous financial year	-	-	-	-	-	-	-	-	(27,690)	(27,690)	(27,690)
Repurchase of shares	-	(2,176)	-	-	-	-	-	-	-	-	(2,176)
<b>Balance at 31 Dec 2008</b>	<b>35,500</b>	<b>(2,176)</b>	<b>85,591</b>	<b>419</b>	<b>6,141</b>	<b>-</b>	<b>94</b>	<b>(1,652)</b>	<b>198,200</b>	<b>288,793</b>	<b>322,117</b>
Balance at 1 April 2007	35,500	-	85,591	-	(15)	22,365	-	-	79,682	187,623	223,123
Net profit for the period	-	-	-	-	-	-	-	-	70,802	70,802	70,802
Share-based payments	-	-	-	80	-	-	-	-	-	80	80
Final dividend paid in respect of the previous financial year	-	-	-	-	-	(22,365)	-	-	-	(22,365)	(22,365)
<b>Balance at 31 Dec 2007</b>	<b>35,500</b>	<b>-</b>	<b>85,591</b>	<b>80</b>	<b>(15)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,484</b>	<b>236,140</b>	<b>271,640</b>

The Company	Reserves								
	Share capital	Treasury shares	Share premium	Share-based payment reserve	Contributed surplus	Dividend reserve	Retained earnings	Total reserves	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2008	35,500	-	85,591	130	67,239	-	27,697	180,657	216,157
Net loss for the period	-	-	-	-	-	-	(3,503)	(3,503)	(3,503)
Share-based payments	-	-	-	289	-	-	-	289	289
Final dividend paid in respect of the previous financial year	-	-	-	-	-	-	(27,690)	(27,690)	(27,690)
Repurchase of shares	-	(2,176)	-	-	-	-	-	-	(2,176)
<b>Balance at 31 Dec 2008</b>	<b>35,500</b>	<b>(2,176)</b>	<b>85,591</b>	<b>419</b>	<b>67,239</b>	<b>-</b>	<b>(3,496)</b>	<b>149,753</b>	<b>183,077</b>
Balance at 1 April 2007	35,500	-	85,591	-	67,299	22,365	(5,663)	169,592	205,092
Net profit for the period	-	-	-	-	-	-	33,652	33,652	33,652
Share-based payments	-	-	-	80	-	-	-	80	80
Final dividend paid in respect of the previous financial year	-	-	-	-	-	(22,365)	-	(22,365)	(22,365)
<b>Balance at 31 Dec 2007</b>	<b>35,500</b>	<b>-</b>	<b>85,591</b>	<b>80</b>	<b>67,299</b>	<b>-</b>	<b>27,989</b>	<b>180,959</b>	<b>216,459</b>

Note 1: The statutory reserve of the Group refers to the PRC statutory reserve fund. Appropriations to such reserve fund are made out of profit after tax as recorded in the statutory financial statements of the PRC subsidiaries. The amount should not be less than 10% of the profit after tax as recorded in the statutory financial statements unless the aggregate amount exceeds 50% of the registered capital of the PRC subsidiaries. The statutory reserve can be used to make up prior years' losses of the PRC 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 on. As at 31 December 2008, the share capital of the Company comprises 355,000,000 shares.

As at 31 December 2008, the Company has the following outstanding share options:

Employee Share Option Scheme ("ESOS")	Exercise Price	Balance as at 31.03.2008	Additions	Options cancelled (Note 4)	Balance as at 31.12.2008
(a) Incentive Options	S\$0.225	1,000,000	-	200,000	800,000
(Note 1)	S\$0.175	-	900,000	-	900,000
(Note 2)	S\$0.144	-	2,400,000	-	2,400,000
(b) Market Options (Note 3)	S\$0.215	-	1,000,000	-	1,000,000
Total		1,000,000	4,300,000	200,000	5,100,000

As at 31 December 2007, the Company has the following outstanding share options:

Employee Share Option Scheme ("ESOS")	Exercise Price	Balance as at 31.03.2007	Additions	Options cancelled	Balance as at 31.12.2007
(a) Incentive Options	S\$0.225	-	1,000,000	-	1,000,000

As at 31 December 2008, 3,277,000 shares were held as treasury shares (3Q FY2008: Nil)

**Notes:**

- (1) The Incentive Options were issued at 18.6% discount of the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding 8 July 2008, the date of grant of the Options.
- (2) The Incentive Options were issued at 19.6% discount of the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding 27 August 2008, the date of grant of the Options.
- (3) 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 8 July 2008, the date of grant of the Options.
- (4) Cancelled due to resignation of staff.

**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 31.12.2008	As at 31.3.2008
Total number of issued shares	355,000,000	355,000,000
Total number of treasury shares	(3,277,000)	-
<b>Total number of issued shares excluding treasury shares</b>	<b>351,723,000</b>	<b>355,000,000</b>

**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 adopted the same accounting policies and methods of computation for the current reporting period as those used in preparing the audited consolidated financial statements for the year ended 31 March 2008.

**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	
	9 months ended 31 December 2008	9 months ended 31 December 2007
Earnings per ordinary share for the period based on the net profit for the period		
(a) Based on weighted average number of ordinary shares on issue; and	HK 15.9 cents	HK 19.9 cents
(b) On a fully diluted basis	N/A	N/A
Number of ordinary shares in issue		
Weighted average number of ordinary shares for the purpose of basic earnings per share	351,723,000	355,000,000
Effect of potentially dilutive ordinary shares – Share options	N/A	332,103
Weighted average number of ordinary shares	351,723,000	355,332,103

**Notes**

The calculation of basic earnings per share for the 9 months ended 31 December 2008 is based on profit attributable to shareholders of the Company of approximately HK\$56 million (31 December 2007: HK\$71 million) divided by the weighted average number of ordinary shares of 351,723,000 (31 December 2007: 355,332,103) in issue during the period.

The effects of all potential ordinary shares are anti-dilutive for the 9 months ended 31 December 2008.

**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	
	31.12.2008	31.03.2008	31.12.2008	31.03.2008
	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:	91.6	83.8	52.1	60.9
Number of ordinary shares in issue excluding treasury shares	351,723,000	355,000,000	351,723,000	355,000,000

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.**

**Review – 3Q FY2009 (3 months ended 31 December 2008) vs 3Q FY2008 (3 months ended 31 December 2007)**

**Revenue**

Revenue increased by 3.5% or HK\$8.4 million from HK\$239.5 million for the quarter ended 31 December 2007 to HK\$247.9 million for the quarter ended 31 December 2008. The increase in revenue was attributable to the increase in sales for the OEM segment.

OEM revenue increased by 7.6% to HK\$205.7 million (3Q FY2008: HK\$191.1 million). The increase was mainly due to increased demand from major customers.

ODM revenue decreased by 12.8% to HK\$42.2 million (3Q FY2008: HK\$48.4 million). The decrease was mainly due to decrease in sales from one of the major customers.

**Gross profit and gross profit margin**

Gross profit decreased by 15% to HK\$38.6 million (3Q FY2008: HK\$45.4 million) and gross profit margin decreased by 3.4% to 15.6% (3Q FY2008: 19.0%). The decrease in gross profit and gross profit margin was mainly due to a change in sales mix and an increase in commodity price, depreciation charge of our new Daya Bay facilities and PRC labour cost.

**Other income**

Other income decreased by 69.3% to HK\$0.6 million (3Q FY2008: HK\$1.9 million). This was mainly due to less interest income earned during the period slightly offset by recognition of tooling income received upon the completion of projects approximately HK\$1.0 million (3Q FY2008: Nil). The Group recorded an exchange loss of HK\$1.6 million (3Q FY2008: HK\$1.1 million) arising mainly from the settlement of Japanese Yen trade payables.

**Selling and distribution costs**

Selling and distribution costs increased by 12.0% to HK\$5.4 million (3Q FY2008: HK\$4.8 million). This was mainly due to an increase in staff costs and sales commissions paid to our sales representatives.

**Administrative expenses**

Administrative expenses decreased by 4.1% to HK\$17.2 million (3Q FY2008: HK\$17.9 million). This was mainly due to lower general administrative costs as compared to the corresponding period last year.

**Net other operating (loss)/gain**

Net other operating loss increased by HK\$2.2 million (3Q FY2008: Nil). This was mainly due to higher allowance for doubtful debts.

**Profit before tax**

As a result of the above, profit before tax decreased by 41.7% to HK\$14.3 million (3Q FY2008: HK\$24.5 million).

**Review – 9 months FY2009 (9 months ended 31 December 2008) vs 9 months FY2008 (9 months ended 31 December 2007)****Revenue**

Revenue increased by 17.9% or HK\$121.5 million from HK\$679.3 million for the nine months ended 31 December 2007 to HK\$800.8 million for the nine months ended 31 December 2008. The increase in revenue was attributable to the increase in sales for the OEM segment.

OEM revenue increased by 30.0% to HK\$663.9 million (9 months FY2008: HK\$510.5 million). The increase was mainly due to increased demand from major customers.

ODM revenue decreased by 18.9% to HK\$136.9 million (9 months FY2008: HK\$168.8 million). The decrease was mainly due to decrease in sales from one of the major customers.

**Gross profit and gross profit margin**

Gross profit increased by 2.7% to HK\$142.4 million (9 months FY2008: HK\$138.7 million) due mainly to higher sales.

Gross profit margin decreased by 2.6% to 17.8% (9 months FY2008: 20.4%). The decrease in gross profit margin was mainly due to change in sales mix and an increase in commodity price, depreciation charge of our new Daya Bay facilities and PRC labour cost.

**Other income**

Other income decreased by 49.0% to HK\$3.8 million (9 months FY2008: HK\$7.4 million). This was mainly due to less interest income earned during the period and exchange loss of HK\$2.2 million (9 months FY2008: HK\$0.2 million) arising mainly from the settlement of Japanese Yen trade payables, partially offset by tooling income for the period.

**Selling and distribution costs**

Selling and distribution costs increased by 16.8% to HK\$17.1 million (9 months FY2008: HK\$14.6 million). This was mainly due to an increase in staff costs and sales commissions paid to our sales representatives.

**Administrative expenses**

Administrative expenses increased by 4.0% to HK\$52.9 million (9 months FY2008: HK\$50.9 million). This was mainly due to higher staff costs as compared to the corresponding period last year.

### **Net Other Operating (loss)/gain**

Included in net other operating (loss)/gain was mainly the one-off charge of an estimated loss of HK\$10 million of assets impairments due to the flash floods that occurred on 13 June 2008 at the Danshui plant. This loss has already been included in the estimated recoverable amount from our insurer. Also, there was HK\$2.2 million additional loss which was caused by higher allowance for doubtful debts.

### **Profit before tax**

On a year-on-year basis, profit before tax (exclude the one-off loss incurred from the flash floods on 13 June 2008 at Danshui plant) decreased by 8.8% to HK\$73.4 million (9 months FY2008: HK\$80.5 million). Taking into account the said one-off loss incurred from the flash flood, profit before tax decreased by 21.2% to HK\$63.4 million (9 months FY2008: HK\$80.5 million).

### **Financial position**

The Group's inventory balance decreased by HK\$10.3 million from HK\$110.4 million as at 31 March 2008 to HK\$100.1 million as at 31 December 2008. The decrease was in line with our expectation as the Group had been building up certain buffer stocks for production suspension when the Group gradually moves certain production facilities from the existing factory to its new factory premises in the Daya Bay site in the previous quarters, and the major production relocations have been completed. Such transfers of production activities will be completed by 1Q FY2010.

With increased sales, the Group's trade receivables have increased by HK\$27.0 million from HK\$135.6 million to HK\$162.6 million as at 31 December 2008.

### **Cash flow statement**

Cash and cash equivalents held by the Group stood at HK\$116.7 million as at 31 December 2008 (31 March 2008: HK\$181.7 million). The net decrease in cash and cash equivalents was mainly due to the payment of final dividends HK\$27.7 million (31 December 2007: HK\$22.4 million) in respect of the previous financial year, outflow for investing activities such as construction of a new plant and purchase of equipment HK\$64.7 million (31 December 2007: HK\$47.8 million), investment in principal protected Senior Notes of Citigroup HK\$15.6 million (31 December 2007: Nil), and offset by cash inflow from operating activities.

The Group currently has not invested in any financial derivatives. The Group places most of its bank deposits with authorised institutions in Hong Kong. On 14 October 2008, the Hong Kong government announced that it will use the Exchange Fund to guarantee the repayment of customer deposits held with all authorised institutions in Hong Kong until the end of 2010.

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

The 3Q FY2009 results announcement is in line with the prospect statement disclosed to shareholders in the 2Q FY2009 results announcement.

**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.**

The severe global economic slowdown, with some countries already in recession, has increased the risks of doing business. Greater adversities now prevail in the operating environment. Challenging issues which the Group have to contend with include high uncertainty in demand patterns and customer orders, deteriorating credit conditions, significant fluctuations in exchange rates of major currencies and commodity prices.

In response to such unprecedented challenging times, the Chinese and Hong Kong Authorities have embarked on large scale fiscal and monetary policies and plans to help abate potential economic and social difficulties. These measures when implemented are likely to have a positive effect in reducing our material costs, as well as, slowing down wage escalations brought about by the China Labour Contract Law. Furthermore, the Group's cost structure is likely to benefit from the softening of oil prices, and the recent stabilisation of the RMB/US\$ exchange rate.

Since July last year, the moving of our operations from Danshui to Daya Bay has enabled the Group to better manage its production activities including more effective shop floor supervision, and better integration and communications in our production engineering. Such transfers of production activities had continued this year, and will be completed by 1Q FY2010. With this move, the entire Daya Bay facility will enable the Group to guard against future unanticipated physical risks such as the flash floods which had impacted the Danshui plant on 13 June 2008.

Other than keeping a close watch on our productivity, the Group will continue to strengthen working capital management. The Group continues to be in the forefront of design and development activities in partnership with our customers. Additionally, amidst the present gloom in the marketplace, the Group's healthy balance sheet will put it in good stead to take on business opportunities when these arise.

Barring unforeseen circumstances, the directors expect the Group to remain profitable although it is expected that FY2009 results will be lower than FY2008 given the 9 months' performance.

**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 the current financial period reported on.

**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.**

Not Applicable

**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.**

Not Applicable

**15. A breakdown of sales.**

Not Applicable

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

Not Applicable

**17. Interested Person Transactions ("IPTs")**

Not applicable

**BY ORDER OF THE BOARD**

**TSE Chong Hing**

**Chairman and Managing Director**  
13 February 2009

**Confirmation By Directors Pursuant to Clause 705(4) of the Listing Manual of SGX-ST.**

We, Tse Chong Hing and Chow Kok Kit, being two 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 3Q FY2009 financial results 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*

Note:

The initial public offering of the Company was managed by Provenance Capital Pte. Ltd. and co-managed by CIMB-GK Securities Pte. Ltd.