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Media Release - Valuetronics proposes dividend of HK 8 cents per ordinary share for FY2013 * Financial Statement And Related Announcement

* Asterisks denote mandatory information

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Announcement is submitted by *	Tse Chong Hing
Designation *	Chairman & Managing Director
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>> Announcement Details

The details of the announcement start here ...

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Media Release

Valuetronics proposes dividend of HK 8 cents per ordinary share for FY2013

- **Maintains its dividend payout trend since IPO in 2007**
- **Cash dividend translates into a payout ratio of approximately 36.5%**

Singapore, 23 May 2013 – 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, industrial and commercial electronics sectors today announced the results for its financial year ended 31 March 2013 ("FY2013").

FY2013 Results Highlights

Financial Highlights			
HK$'M	**FY2013**	**FY2012**	**% Change**
Continuing operations			
Revenue	2,210.2	2,288.3	-3.4
Gross Profit	270.2	321.3	-15.9
Profit for the year from continuing operations	118.4	160.3	-26.1
Discontinued operations			
Loss for the year from discontinued operations	(39.7)	(30.0)	-32.3
Net Profit	**78.7**	**130.3**	**-39.6**

Revenue decreased by HK$78.1 million from HK$2,288.3 million in the financial year ended 31 March 2012 ("FY2012") to HK$2,210.2 million in FY2013, due to a slowdown in demand from some of the Group's Consumer Electronic Customers. This was offset by an increase in demand from their Industrial and Commercial Electronics customers.

Segmental Revenue[1]				
HK$'M	**Segments**	**FY2013**	**FY2012**	**% change**
Continuing operations	Consumer Electronics	1,581.4	1,683.6	-6.1
	Industrial and Commercial Electronics	628.8	604.7	4.0
	Total	**2,210.2**	**2,288.3**	**-3.4**
Discontinued operations	Licensing Business	32.7	90.3	-63.8

Consumer Electronics revenue decreased by 6.1% to HK$1,581.4 million in FY2013 from HK$1,683.6 million in FY2012, whereas Industrial and Commercial Electronics revenue increased by 4.0% to HK$628.8 million in FY2013 from HK$604.7 million in FY2012.

Gross profit decreased by 15.9% to HK$270.2 million in FY2013 from HK$321.3 million in FY2012, while gross profit margin declined from 14.0% to 12.2% due to a change in product sales mix towards Consumer Electronics during the year.

Mr Ricky Tse Chong Hing ("谢创兴"), Chairman and Managing Director commented: ***"In order to widen our customer base and product portfolios in Industrial and Commercial segment, we are actively driving our business development activities by means of tapping into new sales representatives covering different regions in the US, participating in trade shows to improve our publicity and identify new opportunities."***

[1] Due to the Group's high involvement in the designing and manufacturing engineering processes of its Original Equipment Manufacturers ("OEM") customers' products, the differentiation between services provided to the OEM and Original Design Manufacturers products ("ODM") is blurring and may not reflect the actual performance of each business segment. The Group has reclassified its business segments as consumer electronics products ("Consumer Electronics"), industrial and commercial electronics products ("Industrial and Commercial Electronics") and Licensing effective from 1 April 2012.

Discontinued operations revenue decreased by 63.8% to HK$32.7 million in FY2013 from HK$90.3 million in FY2012. The loss for the year from discontinued operations increased by 32.3% to HK$39.7 million in FY2013 from HK$30.0 million in FY2012, resulting from a termination expenditure of HK$23.6 million and provision for impairment loss on property, plant and equipment of HK$2.7 million.

Mr Ricky Tse Chong Hing ("谢创兴"), Chairman and Managing Director commented: ***"We have accounted for all relevant costs to fulfill our obligations after termination of the Licensing business in this year. We do not expect any more expenses to be incurred in next year."***

Financial Position

The Group has been managing its working capital, which is the sum of trade receivables and inventories and deduction of trade payables, during the year. It increased from HK$318.4 million as at 31 March 2012 to HK$418.5 million as at 31 March 2013.

As at 31 March 2013, the Group has no bank borrowings, as compared to HK$20.0 million bank borrowings in last year. Cash and cash equivalents held by the Group stood at HK$221.6 million as at 31 March 2013 compared to HK$263.7 million as at 31 March 2012, mainly due to the changes in working capital and the payment of final dividend.

Dividend

The Group has been consistently providing dividends to its Shareholders and proposed a cash dividend of HK 8 cents per ordinary share.

Business Outlook

In the second half of FY2013, the Group experienced slowdown in orders from some of its Consumer Electronics customers. However, a stabilizing, albeit weak economic outlook in US and Europe may moderate any further downside.

Operating conditions will remain challenging with price reduction requested by some of the Group's major customers, prevailing market uncertainties in demand and continuing cost escalations in China.

Licensing

Due to the termination of the Licensing business in August 2012, the Group recorded the attendant termination expenditure and impairment loss for property, plant and equipment of HK$26.3 million. All relevant costs to fulfill any obligations after termination of the Licensing business have been accounted for and the Group does not expect any more expenses to be incurred in FY2014. Upon cessation of the Licensing business, savings are estimated to be approximately HK$12.0 million per annum through reduced staff and rental expenses. These savings have been gradually reflected in the accounts when the Licensing office was closed in the USA in January 2013.

Consumer Electronics

The Group's move from a labour intensive customer, which engaged in kitchen counter top appliances, to new customers from the Industrial and Commercial segment was part of the Group's resources allocation plan. The overall decrease in revenue was contributed to a slowdown in orders from one of our key customers during the second half of the year.

Industrial and Commercial Electronics

It was a stable year for the Industrial and Commercial Electronics segment. One of our existing and new customers are planning to transfer their production and manufacturing operations to the Group's facilities. Such transfers are expected to further enrich the Group's customer base and support sustainable growth in this segment.

Moving forward, we will actively drive our business development activities by expanding our sales representative network into different regions in the US so as to improve our publicity and identify new opportunities, widening our customer and product portfolios in Industrial and Commercial Electronics.

Notwithstanding the challenging operating environment and uncertainties in the global economy, the directors expect the Group to remain profitable.

End.

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.

For more information, please visit http://www.valuetronics.com.hk.

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