

Financial Statements and Related Announcement::Full Yearly Results**Issuer & Securities**

| | |
|-------------------------|--|
| Issuer/ Manager | VALUETRONICS HOLDINGS LIMITED |
| Securities | VALUETRONICS HOLDINGS LIMITED - BMG9316Y1084 - BN2 |
| Stapled Security | No |

Announcement Details

| | |
|--|--|
| Announcement Title | Financial Statements and Related Announcement |
| Date & Time of Broadcast | 25-May-2018 23:40:05 |
| Status | New |
| Announcement Sub Title | Full Yearly Results |
| Announcement Reference | SG180525OTHR1IX1 |
| Submitted By (Co./ Ind. Name) | Tse Chong Hing |
| Designation | Chairman and 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: Presentation slides in relation to FY2018 Results. |

Additional Details

| | |
|-----------------------------------|--|
| For Financial Period Ended | 31/03/2018 |
| Attachments | VHL- FY2018 Results-Presentation Slides.pdf Total size =1611K |



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FY2018 Results Presentation

Note: This presentation is to be read in conjunction with the announcement issued on SGXNET on 25 May 2018.

Important Notice

This presentation contains forward-looking statements which can be identified by the context of the statement and generally arise when the Company is discussing its beliefs, estimates or expectations. Such statements may include comments on industry, business or market trends, projections, forecasts, and plans and objectives of management for future operations and operating and financial performance, as well as any related assumptions.

Readers of this presentation should understand that these statements are not historical facts or guarantees of future performance but instead represent only the Company's belief at the time the statements were made regarding future events, which are subject to significant risks, uncertainties and other factors, many of which are outside of the Company's control. Actual results and outcomes may differ materially from what is expressed or implied in such forward-looking statements.

The Company cautions readers not to place undue reliance on any forward-looking statements included in this presentation, which speak only as of the date made; and should any of the events anticipated by the forward-looking statements transpire or occur, the Company makes no assurances on what benefits, if any, the Company will derive therefrom.

Cogent Communications

Investor Relations Contact:

Name: Mr Gerald Woon

Email: woon@cogentcomms.com

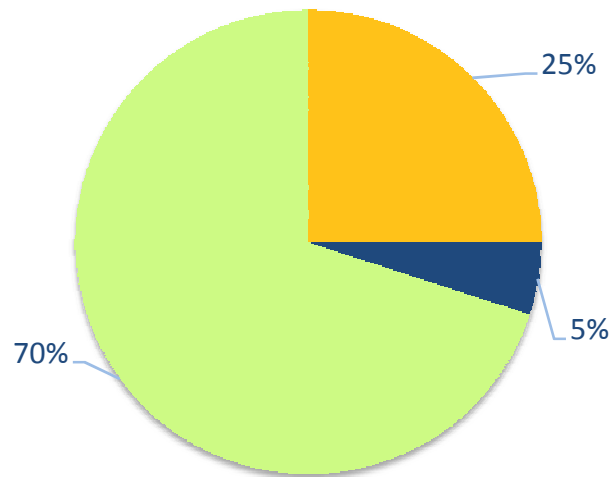
Tel: + 65 6704 9288

Name: Ms Candy Soh

Email: candysoh@cogentcomms.com

Corporate Profile

Shareholding



■ Executive Directors ■ HSBC Global AM ■ Public Float

Corporate Information

- Electronic Manufacturing Services (“EMS”) player established in 1992 in Hong Kong
- Listed on Main Board of SGX on 28 March 2007
- Production facilities in Daya Bay & Danshui Town, Guangdong, PRC (60 minutes from Shenzhen)
- Auditors: PricewaterhouseCoopers
- Around 4,000 employees (31 Mar 2018)

Accreditations

ISO9001:2008, ISO14001:2004, ISO13485: 2003, TL9000 R5.5, TS16949: 2009, IPC J STD-001, IPC-A-610 QML Class 3

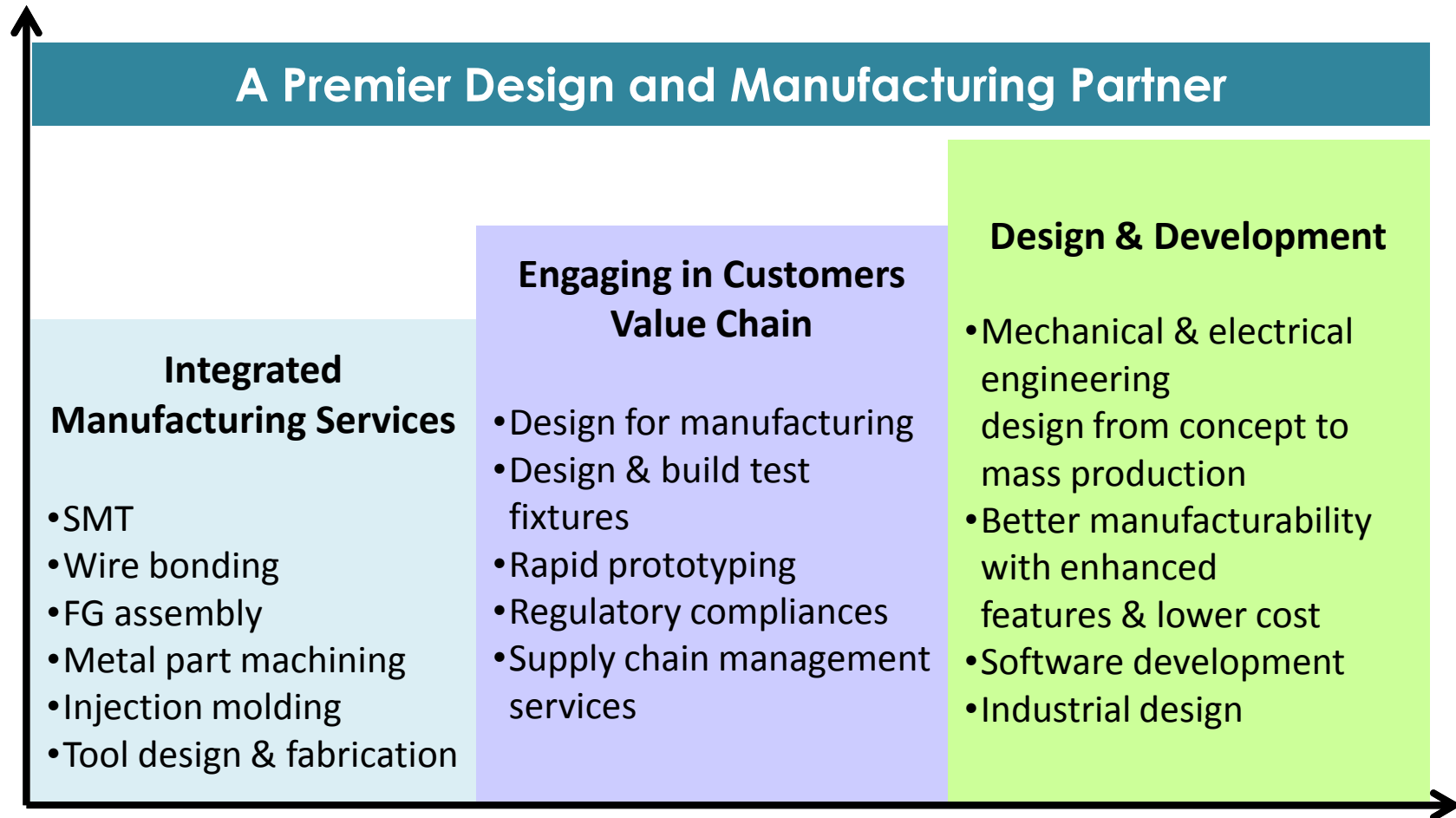
| | |
|----------------------------------|--------------------------------|
| Bloomberg Code | VALUE.SP |
| Reuters Code | VLUE.SI |
| ISIN Code | BN2 |
| Index | FTSE ST Small Cap, FT ST China |
| Issued shares (M) | 432.4 |
| Mkt cap (SG\$M) (24 May 2018) | 346.0 |
| Share price (SG\$) (24 May 2018) | 0.8 |
| Average volume 3-mth ('000) | 4,400 |
| 52 wk range (SG\$) (24 May 2018) | 0.64– 1.12 |

Integrated EMS Provider

- Engineering Design & Development
- Product Design & Deployment
- Plastic Injection Moulding
- Tool Design and Tool Fabrication
- Metal Stamping & Machining
- Printed Circuit Box Assembly and Box Build Assembly
- Supply Chain Management






Business Model

Value Add



Proactive deployment of Design & Development capabilities

Key Milestones

| 1992 | 2002 | 2003 | 2005 | 2007 | 2008 |
|---|---|--|---|---|---|
| Headquartered in Hong Kong with manufacturing facilities in Danshui Town PRC | Use of ROHS equipment and accredited with TL9000 | Adopted work cell management & updated to ISO9001:2000 | Became Philips preferred supplier for its consumer lifestyle segment | Listed on SGX-Mainboard & commenced construction for Daya Bay Facility | Became Phillips preferred supplier for its Lighting segment |
|  |  |  |  |  |  |
| 2008 | 2009 | 2012 | 2014 | 2015 | 2017 |
| Completed Phase 1 construction of Daya Bay Facility | Opened Daya Bay Facility, acquired medical business | Celebrated 20 th anniversary with revenue crossing HK\$2 billion | Adoption of formal dividend policy | Received TS16949 certification | Received 2016 Above & Beyond – Pinnacle Award for Supplier Excellence from Delphi |
|  |  |  |  |  |  |

Daya Bay Facility – Bird's-Eye View

- Land use rights acquired in 2006
- Total site area > 110,000 sq m



Customer & Product Portfolio

**Industrial & Commercial
Electronics**

Consumer Electronics

- **Ability to accommodate customers requirement for various volume, mix and complexity**
- Customer base ranged from emerging enterprises in Northern American (low-volume complex custom product) to top global Multi-National Corporations (high-volume standards product)

Industrial & Commercial Electronics

Printers

Nasdaq-listed Company



Transaction Printer for Slot, POS & Teller Station Machines

Company owned by a UK PE Fund



Barcode and Transaction Printing Solution Provider for Retail, Banking, Manufacturing, Logistics and Healthcare industries

Global Brand owned by NYSE-listed MNC



Thermal Label Printer for Industrial & Commercial Use

Temperature Sensing Devices

Unit of a NYSE-listed MNC



Cold Chain Temperature Monitor for Industrial & Commercial Use

Company owned by a UK PE Fund



Electronic Thermostats

Industrial & Commercial Electronics (Cont'd)

Communication Products

Toronto-listed Company



Taiwan-listed Company



Company Based in North America



High Precision GPS for Industrial Use



Industrial & Commercial Electronics (Cont'd)

Electronic Products for Automotive Industry

Tier 1 Automotive System Manufacturer



Data and media connectivity module

Others

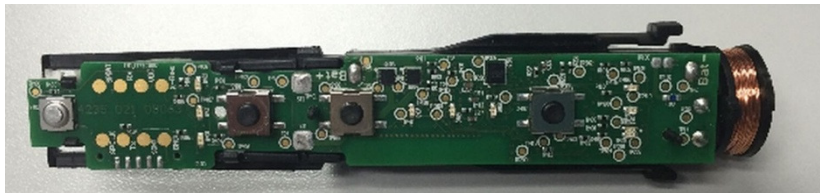
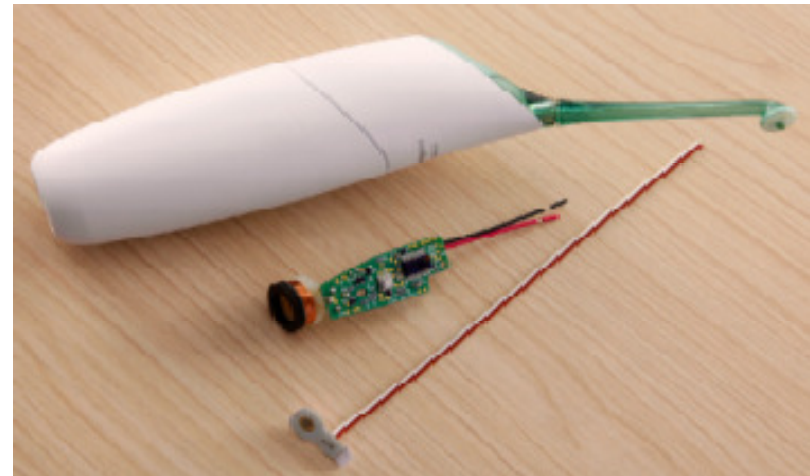


In-vitro Diagnostic Medical Equipment
for Testing Human Tissue Samples

Consumer Electronics

Consumer Lifestyle Products

Consumer Lifestyle Division of a Dutch MNC



PCBA for Shavers & Electric Toothbrushes for Consumer Use



Subsidiary of Homax Group
(Wholly-owned by PE firm)

15W and 40W Bug Zappers



Consumer Electronics (Cont'd)

Smart Lighting with IOT Features



**Wireless lighting contain various LED specially chosen to produce wide range of intensities and over 16 million colours;
Wirelessly controlled by mobile application**



FY2018 Financial Highlights

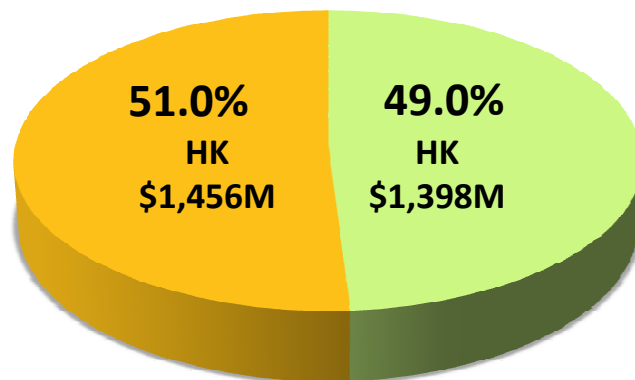
Financial Highlights

| HK\$'M | FY18 | FY17 | % Change |
|-------------------------|---------|---------|----------|
| Revenue | 2,853.7 | 2,274.9 | 25.4 |
| Gross Profit | 414.6 | 341.7 | 21.3 |
| Gross Profit Margin | 14.5% | 15.0% | -0.5% pt |
| Net Profit for the year | 204.7 | 154.1 | 32.9 |
| Net Profit Margin | 7.2% | 6.8% | 0.4% pt |

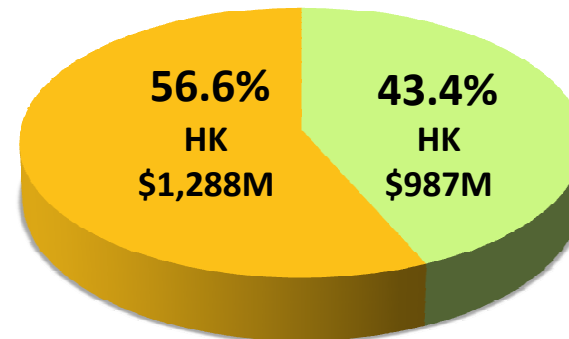
Financial Highlights

Revenue Contribution

FY18

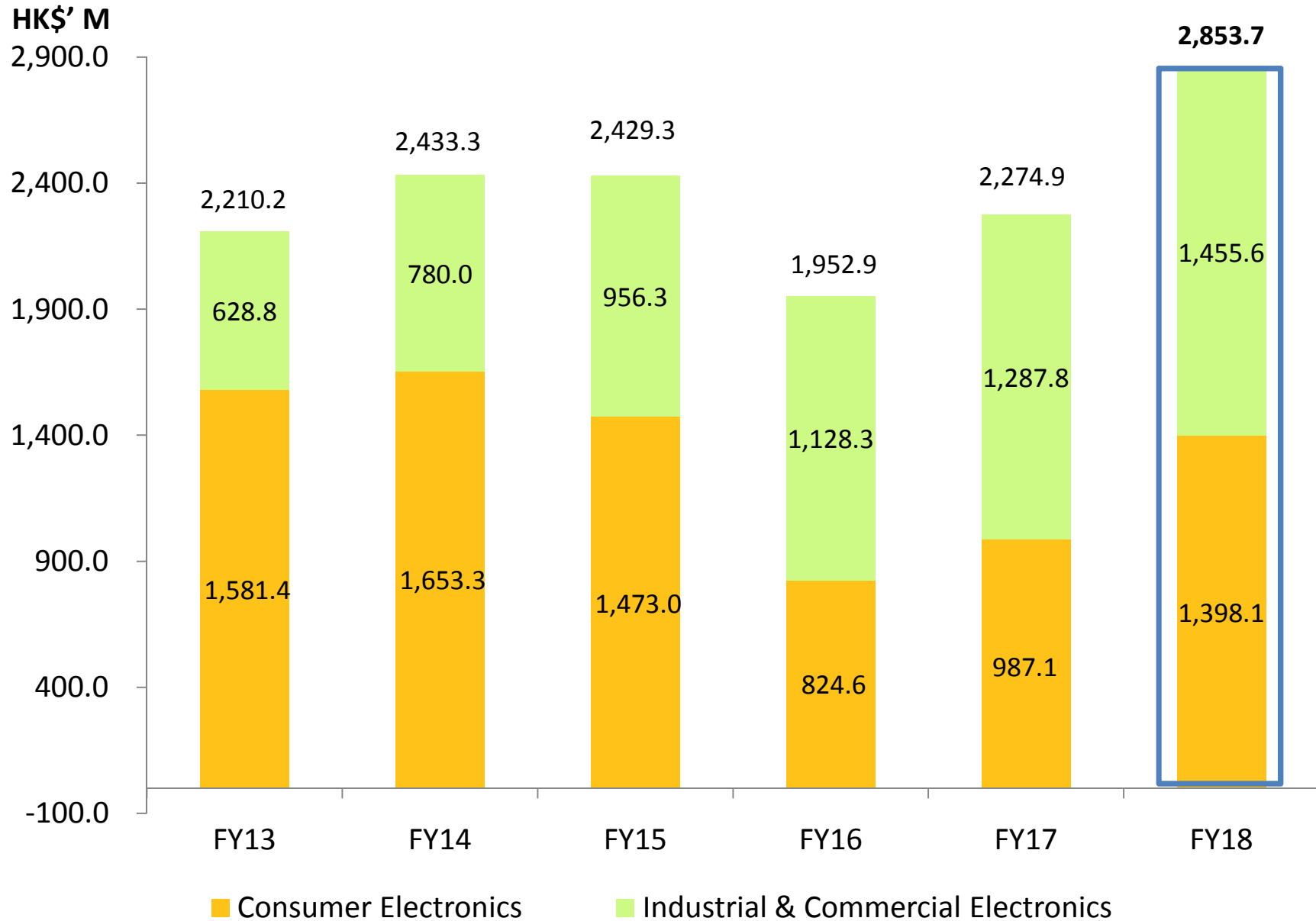


FY17

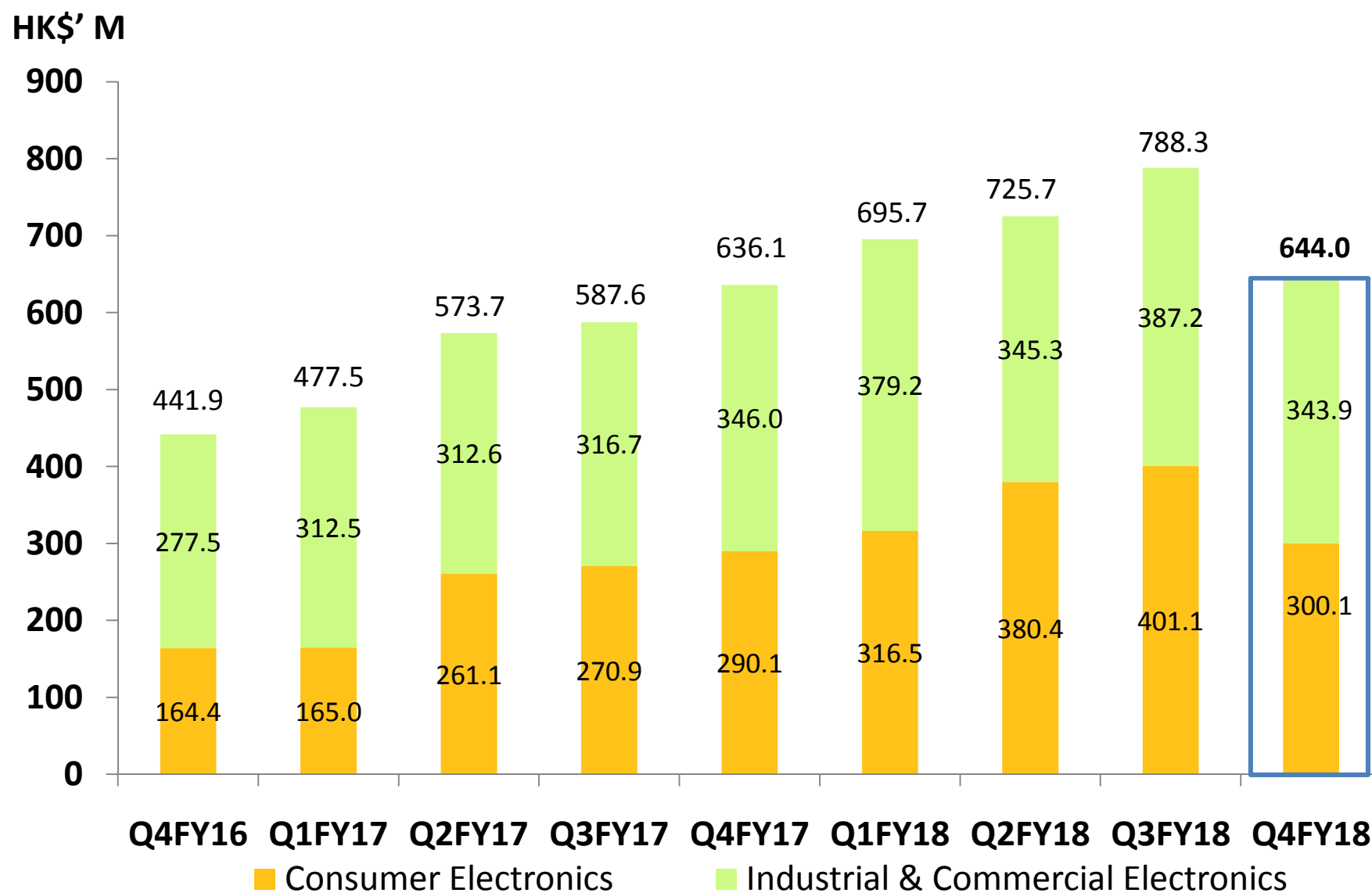


- Consumer Electronics
- Industrial and Commercial Electronics

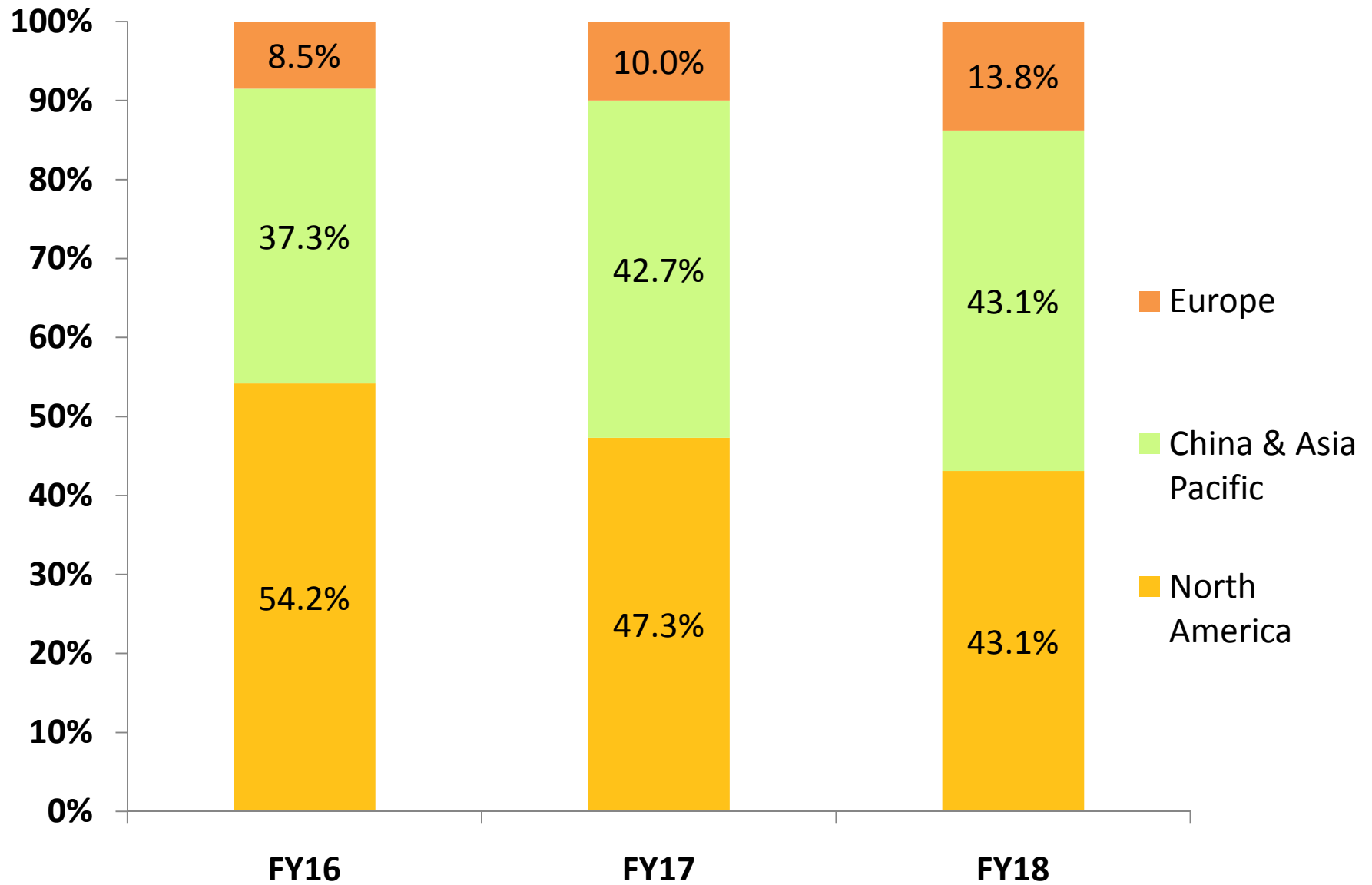
Revenue Trend



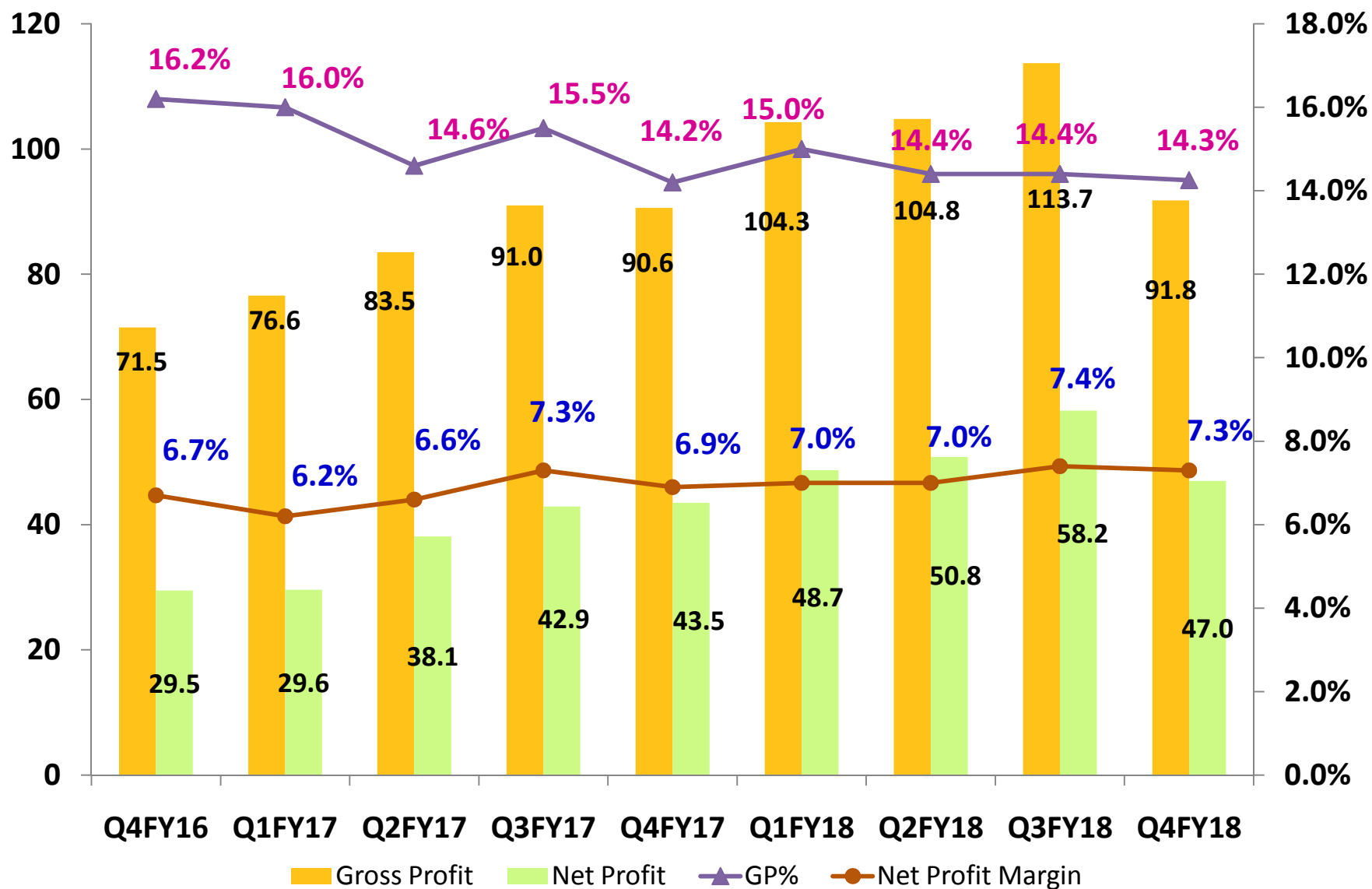
Quarterly Revenue



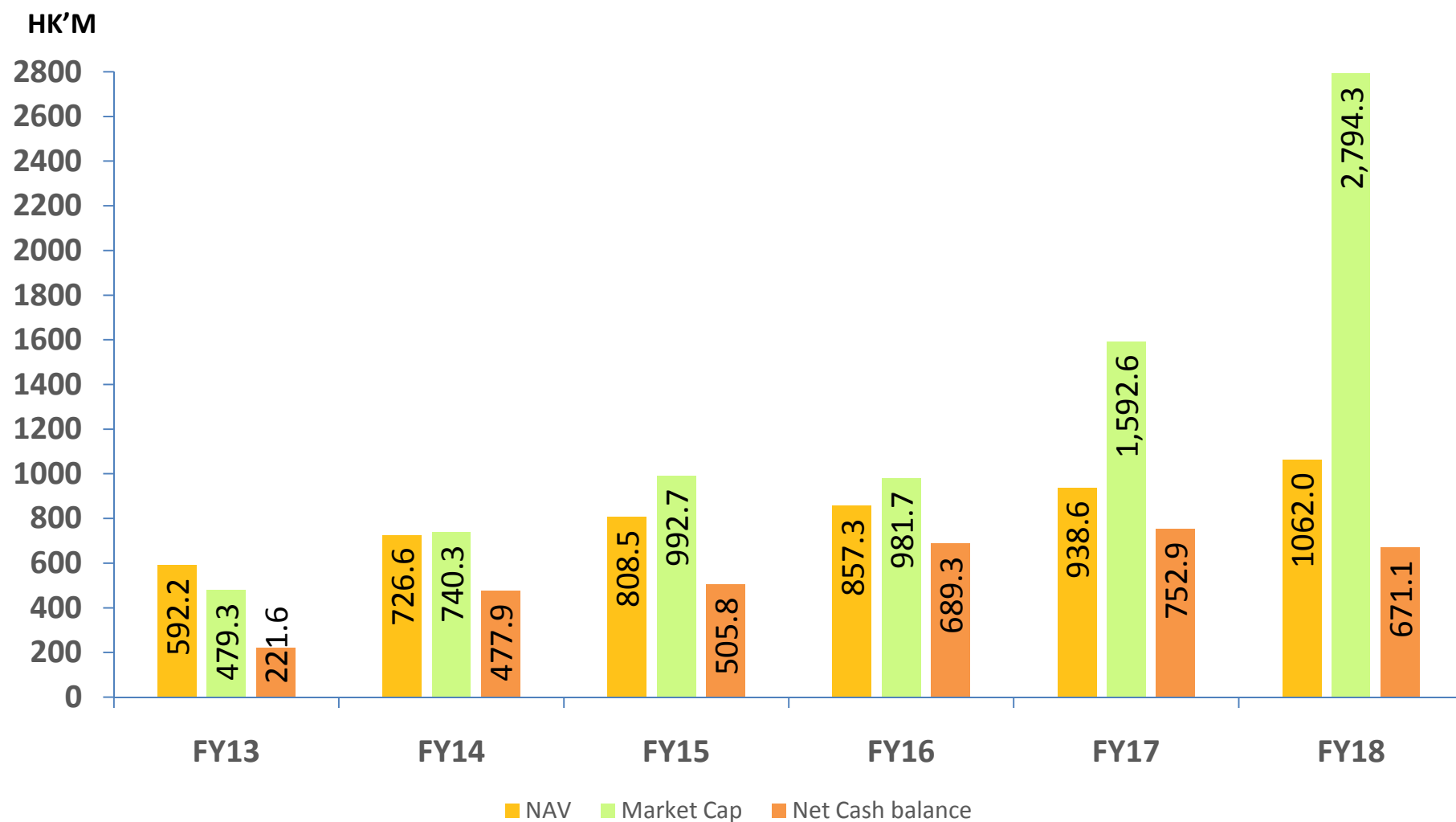
Revenue by Shipment Destination



Gross Profit & Net Profit Trend

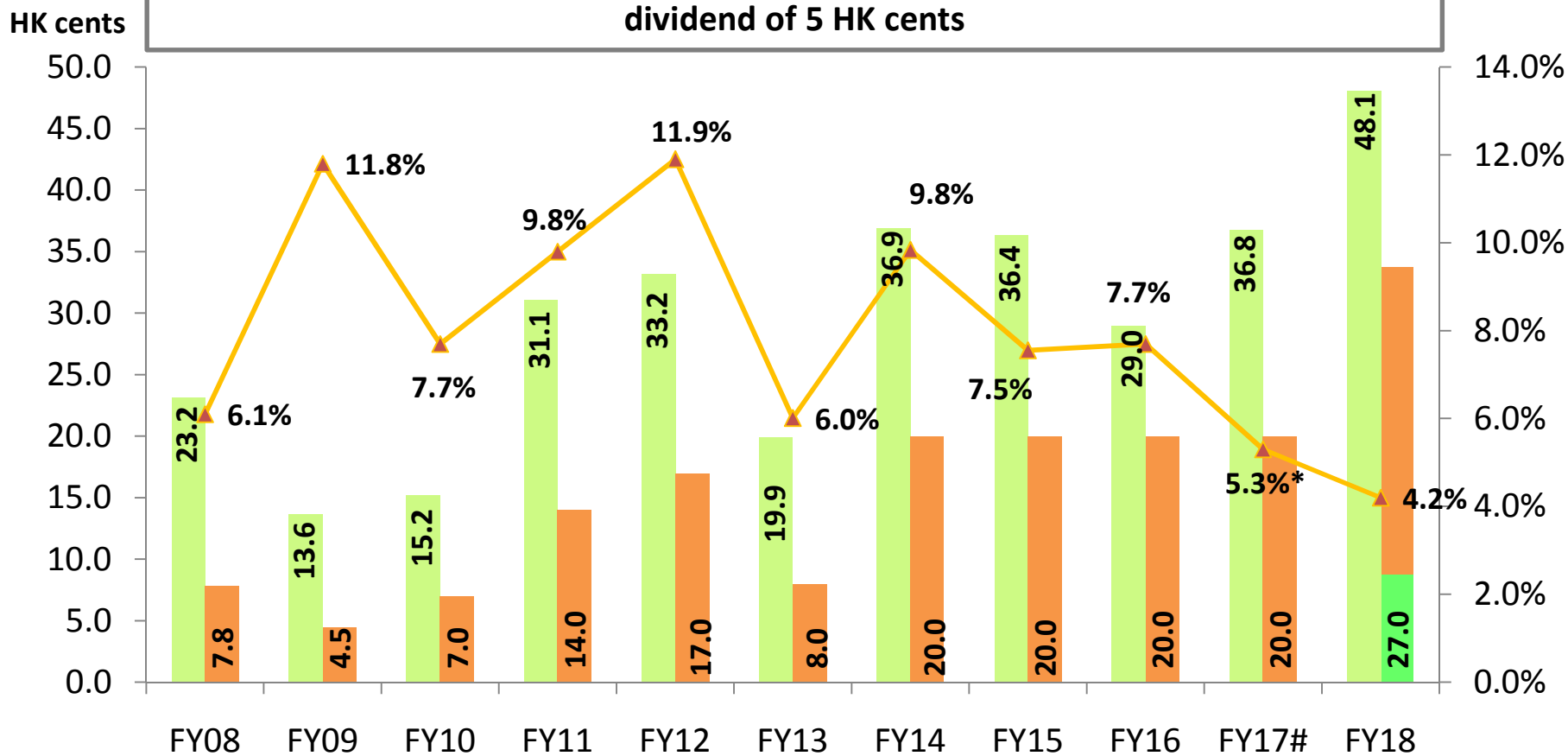


Market Capitalisation & Net Cash Balance



Earnings Per Share & Dividends Per Share

We are committed to formal dividend policy of 30-50% payout ratio
FY18: interim dividend of 7 HK cents, final dividend of 15 HK cents & special dividend of 5 HK cents



| Share Price* (\$) | 0.21 | 0.07 | 0.15 | 0.21 | 0.21 | 0.19 | 0.30 | 0.43 | 0.41 | 0.68 | 1.08 |
|-------------------|------|------|------|------|------|------|------|------|------|-------|------|
| Dividend Payout | 30% | 30% | 42% | 41% | 47% | 37% | 49% | 50% | 63% | 55% * | 57% |

■ EPS *
 ■ Dividend per share
 ▲ Dividend Yield
■ Interim Dividend

* Adjusted for 1:10 bonus issue completed on Jun 2017
Quantum of dividend has increased by 10% under 1:10 bonus issue

Summary of Cash Flows

| HK\$'000 | FY18 | FY17 |
|--|------------------|-----------------|
| Operating Activities | | |
| Net cash generated from operating activities | 63,529 | 160,536 |
| Investing Activities | | |
| Net cash used in investing activities | (167,782) | (23,210) |
| - Net increase in short-term bank deposits | (116,256) | - |
| - Others | (51,526) | (23,210) |
| Financing Activities | | |
| Net cash used in financing activities | (94,223) | (75,312) |
| Net (decrease) / increase in cash and cash equivalents | (198,476) | 62,014 |
| Effect of foreign exchange rate changes | 366 | 1,667 |
| Cash and Cash equivalents | | |
| At beginning of the year | 752,941 | 689,260 |
| At end of the year* | 554,831 | 752,941 |
| * As at 31 March 2018, cash and bank deposits of the Group amounted to HK\$671,087,000 comprise (i) cash and cash equivalents of HK\$554,831,000; and (ii) term deposits with initial terms of over three months of HK\$116,256,000. | | |

Balance Sheet & Key Ratios

| HK\$'M | FY18 | FY17 |
|---------------------------|----------------|----------------|
| Working capital | | |
| Inventories | 385.6 | 291.9 |
| Trade Receivables | 582.8 | 486.3 |
| Trade Payables | <u>(482.9)</u> | <u>(484.7)</u> |
| | <u>485.5</u> | <u>293.5</u> |
| Net Current Assets | 774.9 | 734.0 |
| Net Cash | 671.1 | 752.9 |
| Net Assets | 1,062.0 | 938.6 |

| Turnover Days | FY18 | FY17 |
|-------------------|---------------|---------------|
| Inventories | 57.7 | 55.1 |
| Trade Receivables | 74.5 | 78.0 |
| Trade Payables | <u>(72.3)</u> | <u>(91.5)</u> |
| | <u>59.9</u> | <u>41.6</u> |

Key Financial Ratios

| | FY18 | FY17 |
|-----------------------|------|-------|
| Price (SGD) # | 1.08 | 0.68* |
| NAV per share (SGD)* | 0.41 | 0.40* |
| Cash per share (SGD)* | 0.26 | 0.32* |
| Cash to Mkt Cap ratio | 24% | 47% |

| | FY18 | FY17 |
|---------------|-------|-------|
| Current ratio | 1.9 | 1.8 |
| ROE | 19.3% | 16.4% |
| ROA | 10.4% | 8.5% |
| PB ratio | 2.61 | 1.68 |

Share price as at respective period or year end date

*Restated/adjusted based on 1:10 bonus issue

SGD/HKD Ex rate:

FY18: 5.98;

FY17: 5.56

Business Outlook

Overview

- Record breaking results for FY2018 driven by operational excellence and strong demand from CE and ICE customers

CE

- Strong performance driven by consumer lifestyle products and smart LED lighting products with IOT features
- Remains optimistic on growth prospects of consumer lifestyle products as customers continue to launch new series of innovative products and increase their penetration in new markets including China
- Conservative on smart LED lighting products as customer signaled in their recent first quarter results disclosure which had slower demand allowing for inventory reductions at their trade partners, which will inevitably impact the Group's sales in FY2019
- In the same disclosure, customer also indicated their confidence in the long-term growth of smart LED lighting products and expects their sales to normalize in second half of calendar year 2018, which corresponds to the Group's second and third quarter in FY2019

Business Outlook

ICE

- Strong performance with printers, and in-car connectivity modules used in the automotive industry
- Automotive products expected to remain as main primary driver for ICE growth with increasing demands for in-car connectivity
- Pursue opportunities in the future of mobility by providing vertical integrated services with design and development capabilities

Macro environment

- Continue to see supply chain challenges such as rising raw material price and extension of lead time in procurement
- Continue to navigate dynamic macro-environment by focusing on operational improvements and working proactively with customers

Reader should refer to section 10 of the Results Announcements for the complete 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.