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[Media Release – Valuetronics' FY2012 Revenue Rose 20.7% and Crossed the HK\\$2 Billion Mark](#) * Financial Statement And Related Announcement

* Asterisks denote mandatory information


Name of Announcer *	VALUETRONICS HOLDINGS LIMITED
Company Registration No.	38813
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Announcement is submitted with respect to *	VALUETRONICS HOLDINGS LIMITED
Announcement is submitted by *	Tse Chong Hing
Designation *	Chairman & Managing Director
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-03-2012
Description	Please see attached.

Attachments

 [Valuetronics-FY2012-MediaRelease.pdf](#)
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Media Release - For Immediate Release

Valuetronics' FY2012 Revenue Rose 20.7% and Crossed the HK\$2 Billion Mark

- Proposed final dividend of 16.0 HK cents per share and a special dividend of 1.0 HK cent per share
- Revenue from licensing business segment for FY2012 increased significantly by 170.3% to HK\$90.3 million from HK\$33.4 million in FY2011
- Overall revenue for FY2012 hit HK\$2,378.6 million from HK\$1,970.4 million for FY2011

Singapore, 25 May 2012 – 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, manufacturing partner for the world’s leading brands in the consumer, commercial and industrial electronics sectors and a licensee of a well-known brand for home comfort appliances, today announced outstanding financial results for its full year ended 31 March 2012 (“FY2012”).

Commenting on the results, Mr Ricky Tse Chong Hing (“谢创兴”), Chairman and Managing Director remarked, *“We are pleased to see outstanding results from our licensing business, coupled with a steady increase in our OEM segment for FY2012. In view of the Group’s performance, the Board is happy to propose a final dividend of 16.0 HK cents per share and a special dividend of 1.0 HK cent per share to celebrate the Group’s 20th anniversary as well as reward our shareholders’ continual support.”*

Financial Highlights			
HK\$'M	FY2012	FY2011	% Change
Turnover	2,378.6	1,970.4	20.7
Gross Profit	341.1	309.7	10.1
Net Profit	130.3	121.2	7.5

The Group continued to register continual sales growth for FY2012 driven by an increase in customers' orders. The revenue hit HK\$2,378.6 million from HK\$1,970.4 million in the previous corresponding year ("FY2011"), representing an increase of 20.7%.

Segmental Revenue		
HK\$'M	FY2012	FY2011
Licensing Business	90.3	33.4
OEM	2,010.3	1,617.4
ODM	278.0	319.6

Revenue from both licensing and OEM businesses came in strong in line with the higher sales recorded, and this translated to the growth in the Group's revenue in FY2012.

Commenting on the licensing business, Mr Tse said, ***"Sales of our licensed products continued to grow as a result of our marketing team's effort in exploring and penetrating the market with our enlarged product portfolio."***

As for the OEM segment, revenue continue to outperform its previous corresponding periods with additional sales and growing orders from major customers. For FY2012, the Group registered revenue of HK\$2,010.3 million as compared to HK\$1,617.4 million registered last year.

Valuetronics' ODM business segment achieved revenue of HK\$278.0 million in FY2012, which decreased in comparison to HK\$319.6 million in FY2011, largely due to a slowdown in demand from major ODM customers.

Gross profit grew 10.1% to HK\$341.1 million in FY2012 from HK\$309.7 million in FY2011, whilst gross profit margins declined by 1.4% to 14.3% due to a change in product mix for the year under review.

The Group's other income for FY2012 increased by 105.5% to HK\$15.8 million, attributable to an increase in net foreign exchange gains and sales of scrap materials for the year.

As the Group's ongoing marketing efforts is essential to capture new sales opportunities, selling and distribution cost correspondingly increased 12.2% to HK\$77.2 million in FY2012 from HK\$68.8 million in FY2011. This was led by the increases in trade cooperative expenses to retailers, marketing and the payment of sales commissions to sales representatives. The increase is in tandem with the higher revenue and headcounts recorded. Administrative expenses for FY2012 also went up by 20.6% to HK\$133.0 million from HK\$110.3 million in the previous year under review, due to increases in salaries and bonuses for administrative and corporate employees and the additional headcounts related to the licensing business employed during the year.

On a whole, Valuetronics' recorded a profit after tax for FY2012 of HK\$130.3 million, which increased by 7.5% from HK\$121.2 million in FY2011. As a result, earnings per share registered for FY2012 was 36.5 HK cents compared to 34.2 HK cents¹ in FY2011. Net asset value per share² as at 31 March 2012 and 31 March 2011 was 158.5 HK cents and 133.9 HK cents respectively.

¹ The calculation of basic earnings per share is based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the respective periods.

² The calculation of net asset value per ordinary share is based on number of issued capital excluding treasury shares during the respective periods.

Financial Position

The Group has managed its inventories well for the year under review, and decreased it by HK\$8.9 million from HK\$213.0 million as at 31 March 2011 to HK\$204.1 million as at 31 March 2012.

In view of the growth in business during the year, the Group's trade receivables increased to HK\$508.1 million as at 31 March 2012 from HK\$430.8 million as at 31 March 2011. Trade payables also increased from HK\$302.4 million as at 31 March 2011 to HK\$393.8 million as at 31 March 2012. This increase mainly resulted from the overall growth in purchases so as to cope with the increase in sales orders and demand from customers during the financial year.

Cash and cash equivalents held by the Group stood at HK\$263.7 million as at 31 March 2012 as compared to HK\$136.2 million as at 31 March 2011, which was mainly due to better working capital management.

Business Outlook

In FY2012, the Group continued to benefit from the demand arising from a spur of growth of one of its major OEM customers, which compensated for the slowdown in demand from some other OEM and ODM customers. Our sales and marketing team in the Licensing business will continue their efforts to explore and penetrate the market with our enlarged product portfolio.

EMS Business

The OEM business segment contributed substantial revenue to the Group due to a major customer increasing their sales orders and launching new products for the year under review. However, the ODM business segment did not do as well due to decrease in sales orders by ODM customers. Going forward, Valuetronics expects to benefit from growth momentum of its major customers.

Licensing Business

Valuetronics' Licensing business first launched its air purifier in April 2010 and this segment has steadily contributed to the Group's revenue for FY2011, achieving total sales of HK\$33.4 million. This number has increased by almost three-fold in FY2012 to HK\$90.3 million. The Group expects this enlarged product portfolio to continue growing and contributing to its revenue.

Operational Management

In light of operational challenges such as inflation, the increase in minimum wage in the PRC and fluctuations in foreign currencies continuing to be prevalent, the Group will continue to remain cautious and prudent in monitoring and responding to market developments by strengthening its business and financial fundamentals. This includes enhancing the Group's design and development capabilities and achieving greater production efficiencies and inventory management.

End

**Issued for and on behalf of Valuetronics Holdings Limited
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About Valuetronics Holdings Limited (www.valuetronics.com.hk)

Valuetronics is a premier design, manufacturing, and licensing 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. 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 a range of home comfort appliances 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.