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Acquisitions and Disposals :: Changes in Company's Interest :: HONOR TONE ELECTRONICS TECHNOLOGY (ANHUI) LIMITED - CLOSURE OF TEST CASE SMALL SCALE FACILITY

* 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	29-Oct-2012 18:46:17
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	HONOR TONE ELECTRONICS TECHNOLOGY (ANHUI) LIMITED - CLOSURE OF TEST CASE SMALL SCALE FACILITY
Description	PLEASE SEE ATTACHED

Attachments

 [Closure_of_Anhui_HT.pdf](#)
 Total size = **34K**
 (2048K size limit recommended)

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VALUETRONICS HOLDINGS LIMITED
(Incorporated in Bermuda)

Honor Tone Electronics Technology (Anhui) Limited (鴻通電子科技(安徽)有限公司)
- Closure of test case small scale facility

On 3 November 2010, our wholly-owned subsidiary, Honor Tone Electronics Technology (Anhui) Limited (鴻通電子科技(安徽)有限公司) (“HT Anhui”) was established in the Province of Anhui, the People’s Republic of China (“PRC”) as part of the Group’s co-operation with Taihu Xian Vocational Training School.

HT Anhui was set up as a test case with a small manufacturing facility in the said School. The primary purpose was to allow the Group to explore the feasibility of eventually setting up a full scale manufacturing facility in the inner provinces by tapping into the labour supply available so as to deal with labour supply shortages and rising labour costs in Southern China where the Group operates. The operation of this small scale manufacturing facility, was to allow the Group to better understand the operating environment and types of governmental support available in the inner provinces.

The Board of Directors of the Company would like to announce its decision to close down HT Anhui and its operations (the “Closure”). Having run the small scale manufacturing facility in Anhui for two years, the Board of Directors is of the view that there were no significant advantages in setting up a full scale manufacturing facility in Anhui to tap into the labour supply. Accordingly, in order for the Company to make more effective use of its existing resources, it is intended that the test case manufacturing facility be shut down. The Closure procedures may take about 4 to 6 months, depending on the approval process by the relevant local government authorities.

As of 29 October 2012, the registered capital of HT Anhui was US\$500,000, of which US\$400,000 had been paid up. The Company is required under PRC law to make a balance of US\$100,000 capital injection by 31 October 2012 (the “Balance Capital Injection”). The Balance Capital Injection will be funded by the Company’s internal resources. Upon completion of the Balance Capital Injection, the registered capital and paid-up capital of HT Anhui will be US\$500,000 and the Closure procedures will commence accordingly.

The Balance Capital Injection and Closure are not expected to have any significant impact on the net tangible assets per share and earnings per share of the Company for the financial year ending 31 March 2013.

None of the Directors or the substantial shareholder of the Company has any interest, direct or indirect, in the above transactions, save for their interests arising by way of their directorships (as the case may be) in the Company.

By Order of the Board

Tse Chong Hing
Chairman
29 October 2012