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MEDIA RELEASE - VALUETRONICS SEES DEMAND INCREASE IN INDUSTRIAL AND COMMERCIAL ELECTRONICS SEGMENT AS CONSUMER ELECTRONICS SEGMENT SOFTENS IN 3QFY2013 * Financial Statement And Related Announcement

* 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
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	31-12-2012
Description	PLEASE SEE ATTACHED

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Media Release

Valuetronics sees demand increase in Industrial and Commercial Electronics segment as Consumer Electronics segment softens in 3QFY2013

- Revenue for 9MFY2013 remained steady with a 1.0% increase to HK\$1,731.0 million from HK\$1,714.4 million in 9MFY2012
- Revenue for Industrial and Commercial Electronics increased by 6.1% to HK\$155.5 million from HK\$146.5 million in 3QFY2012

Singapore, 5 February 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, commercial and industrial electronics sectors today announced its third quarter and nine months ended 31 December 2012 (“3QFY2013 ” and “9MFY2013” respectively) financial results. For the quarter under review, the Group saw demand increase for the Industrial and Commercial Electronics (“ICE”) segment by 6.1% to HK\$155.5 million from HK\$146.5 million in 3QFY2012.

Financial Highlights

Financial Highlights (HK\$'M)	3 Months ended 31 December			9 Months ended 31 December		
	3QFY2013	3QFY2012	% Change	9MFY2013	9MFY2012	% Change
Revenue	508.1	607.1	(16.3)	1,731.0	1,714.4	1.0
Gross Profit	64.4	85.9	(25.1)	210.6	245.1	(14.1)
Net Profit from Continuing Operations	25.6	44.0	(41.8)	92.6	117.0	(20.8)
Loss from Discontinued Operations*	(1.1)	(12.5)	(91.0)	(39.1)	(25.1)	55.9
Net Profit attributable to shareholders	24.5	31.5	(22.2)	53.5	91.9	(41.7)

*refers to the cessation of the Group’s Licensing business

Mr Ricky Tse Chong Hing (“谢创兴”), Chairman and Managing Director commented:
“Given the prevailing market uncertainties, we experienced some contraction in orders from the Consumer Electronics segment. Nevertheless, a stabilizing, albeit weak economic outlook in US and Europe may moderate any further downside. We will continue to work hard and improve our fundamentals and widen our customer and product portfolio in Industrial and Commercial Electronics segment.”

For 3QFY2013, the Group recorded a revenue of HK\$508.1 million, a decrease of 16.3% compared to HK\$607.1 million for three quarters ended 31 December 2011 (“3QFY2012”). The Group’s revenue for 9MFY2013 saw a slight increase of 1.0% to HK\$1,731.0 million from HK\$1,714.4 million in 9 months ended 31 December 2011 (“9MFY2012”).

Segmental Revenue						
HK\$'M	3QFY2013	3QFY2012	% change	9MFY2013	9MFY2012	% change
Consumer Electronics	352.6	460.6	(23.4)	1,267.9	1,252.0	1.3
Industrial & Commercial Electronics	155.5	146.5	6.1	463.1	462.4	0.2
Total	508.1	607.1	(16.3)	1,731.0	1,714.4	1.0

In 3QFY2013, Consumer Electronics (“CE”) revenue decreased by 23.4% to HK\$352.6 million from HK\$460.6 million in 3QFY2012 mainly due to a slowdown in demand from some CE customers. The overall 9MFY2013 CE revenue increased by 1.3% to HK\$1,267.9 million from HK\$1,252.0 million in 9MFY2012.

The ICE revenue saw an increase by 6.1% to HK\$155.5 million in 3QFY2013 from HK\$146.5 million in 3QFY2012. ICE revenue also increased by 0.2% to HK\$463.1 million in 9MFY2013 from HK\$462.4 million compared to the previous corresponding period, as a result from an increase in demand mainly attributable to our ICE customers.

Valuetronics' Licensing business was discontinued in August 2012. In 3QFY2013, the losses from the discontinued Licensing business had decreased by 91.0% to HK\$1.1 million from HK\$12.5 million in 3QFY2012. For 9MFY2013, the losses increased by 55.9% to HK\$39.1 million from HK\$25.1 million as a result of a termination expenditure of HK\$25.0 million, and a provision for impairment loss on property, plant and equipment of HK\$3.0 million incurred during the nine-month period.

Gross profit for the quarter under review decreased by 25.1% to HK\$64.4 million compared to HK\$85.9 million in 3QFY2012, while gross profit margin decreased to 12.7% from 14.2% in 3QFY2012. The Group's gross profit for 9MFY2013 declined by 14.1% to HK\$210.6 million from HK\$245.1 million for 9MFY2012, while gross profit margin declined to 12.2% from 14.3% in 9MFY2012. The decrease in gross profit margin is mainly due to a change in product sales mix towards CE for the quarter and nine months under review.

In 3QFY2013, other income decreased by 37.0% to HK\$2.9 million from HK\$4.5 million in 3QFY2012, mainly due to a decrease in net exchange gains by HK\$2.5 million. The Group's other income decreased by 21.7% to HK\$8.4 million in 3QFY2013 from HK\$10.7 million in 3QFY2012, also mainly due to decrease in net exchange gains by HK\$2.9 million.

The Group's administrative expenses for 3QFY2013 saw a slight increase by 4.4% to HK\$28.5 million from HK\$27.3 million in 3QFY2012. For the nine months period under review, administrative expenses also increased marginally by 2.5% to HK\$85.5 million from HK\$83.4 million in 9MFY2012. For both the periods under review, the rise in administrative expenses was due to salary increases for administrative staff and corporate employees, compensated by the decrease in administrative expenses as a result of stringent cost control measures implemented.

Selling and distribution costs decreased by 28.4% to HK\$8.3 million in 3QFY2013 from HK\$11.6 million in 3QFY2012 as a result of lesser sales commissions paid out to sales representatives. For 9MFY2013, the Group's selling and distribution costs decreased by

31.1% to HK\$27.3 million from HK\$39.7 million in 9MFY2012, which resulted from lesser sales commissions paid out to sales representatives.

The Group's profit attributable to shareholders for 3QFY2013 amounted to HK\$24.5 million, a decrease of 22.2% from HK\$31.5 million in 3QFY2012. Valuetronics recorded profit attributable to shareholders for 9MFY2013 of HK\$53.5 million, a 41.7% decrease from HK\$91.9 million.

As at 31 December 2012, Valuetronics has a net cash position of HK\$234.7 million compared to HK\$243.7 million as at 31 March 2012, and a net asset value per share of HK156.9 cents¹, compared to a net asset value per share of HK158.5 cents¹ as at 31 March 2012.

Business Outlook

During 3QFY2013, the Group continued to experience a slowdown in customer orders, with some major customers asking for price reductions which could not be fully offset by productivity gains. Valuetronics expects the prevailing market uncertainties in demand and China's continuing cost escalations to make business conditions challenging in 2013.

The termination of the Group's Licensing business in August 2012 and its attendant provision for termination expenditure and impairment loss for property, plant and equipment of HK\$28 million that was recorded in August 2012. With the cessation of the Licensing business, the Group estimates its savings from reduced staff costs and rental expenses to be approximately HK\$12 million annually.

The Group will continue to actively drive its business development activities so as to widen its customer and product portfolios in ICE and to improve its profitability, while continually improving its capabilities in design and development, production efficiencies and inventory management.

¹ The NAV per share as at 31 December 2012 was based on 360,038,750 ordinary shares in issue excluding treasury shares, and the NAV per share as at 31 March 2012, was based 358,600,000 ordinary shares in issue excluding treasury shares.

Barring unforeseen circumstances, the directors expect the Group to remain profitable for the financial year ended 31 March 2013.

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>.

Issued for and on behalf of Valuetronics Holdings Limited by Cogent Communications Pte Ltd.

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