

Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

Issuer/ Manager	VALUETRONICS HOLDINGS LIMITED
Securities	VALUETRONICS HOLDINGS LIMITED - BMG9316Y1084 - BN2

Announcement Details

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Additional Details

For Financial Period Ended	31/03/2014
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VALUETRONICS HOLDINGS LIMITED

(Incorporated in Bermuda)
(Co. Reg. No: 38813)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) A statement of profit or loss and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Profit or Loss for the year ended 31 March 2014

	The Group		
	Year ended 31 March		
	2014	2013	Change
	HK\$'000	HK\$'000	%
Continuing operations			
Revenue	2,433,272	2,210,166	10.1
Cost of sales	(2,106,490)	(1,939,936)	8.6
Gross profit	326,782	270,230	20.9
Other income	12,641	11,186	13.0
Selling and distribution costs	(38,854)	(35,257)	10.2
Administrative expenses	(130,134)	(112,052)	16.1
Net other operating losses	(2,796)	(1,392)	100.9
Profit from operations	167,639	132,715	26.3
Finance costs	(720)	(1,414)	-49.1
Profit before tax	166,919	131,301	27.1
Income tax expense	(19,014)	(12,866)	47.8
Profit for the year from continuing operations	147,905	118,435	24.9
Discontinued operations*			
Loss for the year from discontinued operations	-	(39,752)	NM
Profit for the year	147,905	78,683	88.0
Attributable to:			
Owners of the Company	147,905	78,683	88.0

Note :

NM : Not meaningful

*: See Page 2, Note 4

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 March 2014

	The Group		
	Year ended 31 March		
	2014	2013	Change
	HK\$'000	HK\$'000	%
Profit for the year	147,905	78,683	88.0
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss :</i>			
Exchange differences on translating foreign operations *	4,574	1,551	194.9
Other comprehensive income for the year, net of tax	4,574	1,551	194.9
Total comprehensive income for the year	152,479	80,234	90.0
Attributable to :			
Owners of the Company	152,479	80,234	90.0

*: Representing exchange differences on translating the Group's subsidiaries in PRC arising from the appreciation of Renminbi

Note:

The Group's profit before tax is arrived at after charging / (crediting):

	The Group	
	Year ended 31 March	
	2014	2013
	HK\$'000	HK\$'000
Continuing operations		
Depreciation	39,175	43,280
Amortisation of land use rights	499	488
(Gain)/loss on disposals of property, plant and equipment	(350)	202
Interest income	(1,864)	(1,058)
Interest expenses	-	447
Bank charges	720	967
Net realized exchange gains (Note 1)	(2,574)	(1,501)
Net fair value losses on derivative financial instruments (Note 2)	2,796	75
Provision for impairment of trade receivables (Note 3)	-	1,069
Discontinued operations		
Termination expenditure (Note 4)	-	23,593
Provision for impairment loss on property, plant and equipment (Note 4)	-	2,683
Impairment of goodwill	-	10
Depreciation	-	643

Note 1: Net realized exchange gains for the year mainly resulted from settlements of Renminbi (last year: Singapore dollars)

Note 2: The Group entered into certain foreign exchange forward contracts to hedge against its exposure to Renminbi and Singapore Dollar (last year: Renminbi) during the year. The net fair value losses on derivative financial instruments represented the unrealised losses and mark-to-market values of these contracts as at year end date.

Note 3: During the year ended 31 March 2013, owing to the low recoverability of certain trade receivables due from one of our customers, provision for impairment of such trade receivables has been made during the period.

Note 4: During the year ended 31 March 2013, the Group recorded provision for termination expenditure and impairment loss on property, plant and equipment following the termination of Licensing business. No further expenditure has been incurred for the year ended 31 March 2014. In accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the results and cash flows of the Licensing business have been included in the discontinued operations of the Group.

1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position as at 31 March 2014

	The Group		The Company	
	At 31.3.2014	At 31.3.2013	At 31.3.2014	At 31.3.2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS				
Non-current assets				
Land use rights	20,941	20,941	-	-
Property, plant and equipment	181,681	196,454	-	-
Investments in subsidiaries	-	-	83,330	83,330
Available-for-sale financial assets	11,789	1,549	-	-
Club membership, at cost	256	250	-	-
Total non-current assets	214,667	219,194	83,330	83,330
Current assets				
Inventories	198,874	178,358	-	-
Trade receivables	517,213	481,509	-	-
Land use rights	503	491	-	-
Prepayments, deposits and other receivables	12,340	8,836	175	136
Available-for-sale financial assets	-	2,476	-	-
Due from subsidiaries	-	-	209,885	149,546
Bank and cash balances	477,934	221,579	1,646	416
Total current assets	1,206,864	893,249	211,706	150,098
Total assets	1,421,531	1,112,443	295,036	233,428
EQUITY				
Share capital	36,838	36,004	36,838	36,004
Reserves	689,729	556,223	257,758	196,801
Equity attributable to owners of the Company	726,567	592,227	294,596	232,805
Total equity	726,567	592,227	294,596	232,805
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	2,627	3,388	-	-
Total non-current liabilities	2,627	3,388	-	-
Current liabilities				
Trade payables	354,022	241,375	-	-
Accruals, other payables and deposits received	314,060	264,962	440	623
Current tax liabilities	21,384	10,416	-	-
Derivative financial instruments	2,871	75	-	-
Total current liabilities	692,337	516,828	440	623
Total liabilities	694,964	520,216	440	623
Total equity and liabilities	1,421,531	1,112,443	295,036	233,428
Net current assets	514,527	376,421	211,266	149,475
Total assets less current liabilities	729,194	595,615	294,596	232,805

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31 March 2014		As at 31 March 2013	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 31 March 2014		As at 31 March 2013	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nil	Nil	Nil	Nil

Details of any collateral**None**

1(c) A statement of cash flows for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows for the year ended 31 March 2014

	The Group	
	Year ended 31 March	
	2014	2013
	HK\$'000	HK\$'000
Cash flows from operating activities		
Cash generated from operations of continuing operations:		
Profit before tax	166,919	131,301
Adjustments for :		
Equity-settled share-based payments	3,937	4,372
Depreciation	39,175	43,280
Amortisation of land use rights	499	488
(Gain)/loss on disposals of property, plant and equipment	(350)	202
Interest expenses	-	447
Interest income	(1,864)	(1,058)
Net fair value losses on derivative financial instruments	2,796	75
Cash settlement for the Awards granted	(175)	-
Provision for impairment of trade receivables	-	1,069
Operating profit before working capital changes	210,937	180,176
(Increase)/decrease in inventories	(20,516)	24,256
(Increase)/decrease in trade receivables	(35,704)	12,744
(Increase)/decrease in prepayments, deposits and other receivables	(4,698)	1,561
Increase/(decrease) in trade payables	112,647	(155,842)
Increase in accruals, other payables and deposits received	49,098	29,068
Cash generated from operations	311,764	91,963
Income tax paid	(8,807)	(18,648)
Interest paid	-	(447)
Net cash generated from operating activities of continuing operations	302,957	72,868
Net cash used in operating activities of discontinued operations	-	(13,683)
Net cash generated from operating activities	302,957	59,185
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,847)	(17,937)
Proceeds from disposal of property, plant and equipment	409	11
Proceeds from redemption of available-for-sale financial assets	2,476	-
Purchase of available-for-sale financial assets	(10,240)	(4,025)
Interest received	1,864	1,058
Net cash used in investing activities of continuing operations	(26,338)	(20,893)
Net cash used in investing activities of discontinued operations	-	(237)
Net cash used in investing activities	(26,338)	(21,130)
Cash flows from financing activities		
Dividend paid	(29,215)	(61,022)
Repayment of bank loan	-	(20,000)
Proceeds from shares issued in exercise of share options	7,314	268
Net cash used in financing activities of continuing operations	(21,901)	(80,754)
Net cash from financing activities of discontinued operations	-	-
Net cash used in financing activities	(21,901)	(80,754)
Net increase/(decrease) in cash and cash equivalents	254,718	(42,699)
Effect of foreign exchange rate changes	1,637	548
Cash and cash equivalents at beginning of the year	221,579	263,730
Cash and cash equivalents at end of the year	477,934	221,579

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statements of Changes in Equity for the year ended 31 March 2014

The Group	Attributable to owners of the Company							Total equity
	Reserves							
	Share capital	Share premium	Share-based payment reserve	Translation reserve	Statutory reserve (Note)	Retained earnings	Total reserves	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2013	36,004	91,867	6,649	22,753	1,596	433,358	556,223	592,227
Total comprehensive income for the year	-	-	-	4,574	-	147,905	152,479	152,479
Dividend paid	-	-	-	-	-	(29,215)	(29,215)	(29,215)
Issue of shares on exercise of share options	834	6,480	-	-	-	-	6,480	7,314
Transfer to share premium upon exercise of share options	-	3,664	(3,664)	-	-	-	-	-
Cash settlement for the awards granted	-	-	(175)	-	-	-	(175)	(175)
Share-based payments	-	-	3,937	-	-	-	3,937	3,937
Lapsed of share-based payments	-	-	(1,092)	-	-	1,092	-	-
Transfer to statutory reserve	-	-	-	-	865	(865)	-	-
Changes in equity for the year	834	10,144	(994)	4,574	865	118,917	133,506	134,340
Balance at 31 March 2014	36,838	102,011	5,655	27,327	2,461	552,275	689,729	726,567
Balance at 1 April 2012	35,860	90,283	4,411	21,202	1,198	415,421	532,515	568,375
Total comprehensive income for the year	-	-	-	1,551	-	78,683	80,234	80,234
Dividend paid	-	-	-	-	-	(61,022)	(61,022)	(61,022)
Issue of shares on exercise of share options	35	233	-	-	-	-	233	268
Transfer to share premium upon exercise of share options	-	91	(91)	-	-	-	-	-
Issue of shares for awards granted	109	1,260	(1,369)	-	-	-	(109)	-
Share-based payments	-	-	4,372	-	-	-	4,372	4,372
Lapsed of share-based payments	-	-	(674)	-	-	674	-	-
Transfer to statutory reserve	-	-	-	-	398	(398)	-	-
Changes in equity for the year	144	1,584	2,238	1,551	398	17,937	23,708	23,852
Balance at 31 March 2013	36,004	91,867	6,649	22,753	1,596	433,358	556,223	592,227

The Company	Reserves						
	Share capital	Share premium	Share-based payment reserve	Contributed surplus	Retained earnings	Total reserves	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2013	36,004	91,867	6,649	67,239	31,046	196,801	232,805
Total comprehensive income for the year	-	-	-	-	79,930	79,930	79,930
Dividend paid	-	-	-	-	(29,215)	(29,215)	(29,215)
Issue of shares on exercise of share options	834	6,480	-	-	-	6,480	7,314
Transfer to share premium upon exercise of share options	-	3,664	(3,664)	-	-	-	-
Cash settlement for the awards granted	-	-	(175)	-	-	(175)	(175)
Share-based payments	-	-	3,937	-	-	3,937	3,937
Lapsed of share-based payments	-	-	(1,092)	-	1,092	-	-
Changes in equity for the year	834	10,144	(994)	-	51,807	60,957	61,791
Balance at 31 March 2014	36,838	102,011	5,655	67,239	82,853	257,758	294,596
Balance at 1 April 2012	35,860	90,283	4,411	67,239	69,480	231,413	267,273
Total comprehensive income for the year	-	-	-	-	21,914	21,914	21,914
Dividend paid	-	-	-	-	(61,022)	(61,022)	(61,022)
Issue of shares on exercise of share options	35	233	-	-	-	233	268
Transfer to share premium upon exercise of share options	-	91	(91)	-	-	-	-
Issue of shares for awards granted	109	1,260	(1,369)	-	-	(109)	-
Share-based payments	-	-	4,372	-	-	4,372	4,372
Lapse of share-based payments	-	-	(674)	-	674	-	-
Changes in equity for the year	144	1,584	2,238	-	(38,434)	(34,612)	(34,468)
Balance at 31 March 2013	36,004	91,867	6,649	67,239	31,046	196,801	232,805

Note : In accordance with the relevant PRC regulations, the subsidiaries of the Group established in the PRC are required to transfer a certain percentage of the profit after tax, if any, to a statutory reserve. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory reserve may be used to offset the accumulated losses, if any, of the subsidiaries.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, repurchase of shares, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Refer to 1(d)(iii) for the movement of share capital.

SHARE OPTIONS

As at 31 March 2014, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2013	Additions	Share options exercised	Lapsed	Balance as at 31.3.2014
(a) Incentive Options (Note 1)	S\$0.144	1,200,000	-	(1,200,000)	-	-
	S\$0.105	2,500,000	-	(2,500,000)	-	-
	S\$0.150	2,400,000	-	(1,550,000)	-	850,000
	S\$0.160	1,150,000	-	(1,100,000)	-	50,000
	S\$0.174	4,900,000	-	(1,987,500)	(200,000)	2,712,500
	S\$0.201	5,400,000	-	-	(600,000)	4,800,000
	S\$0.162	-	5,500,000	-	(400,000)	5,100,000
(b) Market Options (Note 2)	S\$0.215	200,000	-	-	-	200,000
	S\$0.184	400,000	-	-	-	400,000
Total		18,150,000	5,500,000	(8,337,500)	(1,200,000)	14,112,500

As at 31 March 2013, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2012	Additions	Share options exercised	Lapsed	Balance as at 31.3.2013
(a) Incentive Options (Note 1)	S\$0.175	100,000	-	(100,000)	-	-
	S\$0.144	1,200,000	-	-	-	1,200,000
	S\$0.105	2,750,000	-	(250,000)	-	2,500,000
	S\$0.150	2,400,000	-	-	-	2,400,000
	S\$0.160	1,150,000	-	-	-	1,150,000
	S\$0.174	4,900,000	-	-	-	4,900,000
	S\$0.201	-	5,400,000	-	-	5,400,000
(b) Market Options (Note 2)	S\$0.215	200,000	-	-	-	200,000
	S\$0.184	400,000	-	-	-	400,000
Total		13,100,000	5,400,000	(350,000)	-	18,150,000

Notes:

- (1) The Incentive Options were issued at a discount of not more than 20% to the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding the date of grant of the respective Options.
- (2) The Market Options were issued at the market price which was equal to the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding the date of grant of the respective Options.

PERFORMANCE SHARE PLAN

As at 31 March 2014, the Company has the following outstanding Share Awards:

Date of grant	Outstanding at 31.3.2013	Granted	Awarded	Lapsed	Outstanding at 31.3.2014
19 July 2012	700,000	-	(140,000)	(560,000)	-
15 August 2013	-	700,000	-	-	700,000
Total	700,000	700,000	(140,000)	(560,000)	700,000

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares (excluding treasury shares)

As at 31 March 2013	360,038,750
Issuance and allotment of shares pursuant to:	
- Employee Share Option Scheme on 16 July 2013	5,150,000
- Employee Share Option Scheme on 26 Nov 2013	200,000
- Employee Share Option Scheme on 24 Feb 2014	2,987,500
As at 31 March 2014	<u>368,376,250</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial year reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 March 2013, except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") which are relevant to the Group's operations and became effective for the financial period beginning on 1 April 2013.

a) Amendments to IAS 1 "Presentation of Financial Statements"

Amendments to IAS 1 titled Presentation of Items of Other Comprehensive Income introduce new terminology for statement of comprehensive income and income statement. Under the amendments to IAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and an income statement is renamed as a statement of profit or loss. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

The amendments to IAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the change. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

b) IFRS 13 “Fair Value Measurement”

IFRS 13 “Fair Value Measurement” establishes a single source of guidance for all fair value measurements required or permitted by IFRSs. It clarifies the definition of fair value as an exit price, which is defined as a price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under market conditions, and enhances disclosures about fair value measurements.

The adoption of IFRS 13 only affects disclosures on fair value measurements in the consolidated financial statements. IFRS 13 has been applied prospectively.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the new and revised IFRSs, which are effective for the financial year beginning 1 April 2013, did not result in significant changes to the Group’s accounting policies or have any material impact on the Group’s and the Company’s financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	The Group	
	Year ended 31 March 2014	Year ended 31 March 2013
Earnings/(losses) per ordinary share based on the net profit/(loss) for the year		
(a) Based on weighted average number of ordinary shares on issue; and		
- continuing operations	HK 40.6 cents	HK 32.9 cents
- discontinued operations	-	HK (11.0) cents
	HK 40.6 cents	HK 21.9 cents
(b) On a fully diluted basis		
- continuing operations	HK 40.4 cents	HK 32.8 cents
- discontinued operations	-	HK (11.0) cents
	HK 40.4 cents	HK 21.8 cents
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	364,056,832	359,443,973
Effect of potentially dilutive ordinary shares – Share options	2,288,022	1,577,690
Weighted average number of ordinary shares for the purpose of diluted earnings per share	366,344,854	361,021,663

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	HK cents	HK cents	HK cents	HK cents
Net asset value per ordinary share based on issued share capital excluding treasury shares at the end of the year:	197.2	164.5	80.0	64.7
Number of ordinary shares in issue excluding treasury shares	368,376,250	360,038,750	368,376,250	360,038,750

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Valuetronics is an Electronic Manufacturing Service (“EMS”) provider, which focuses on the design and development of products that meet the ever-changing customers’ needs. We are the preferred choice of some successful global companies involved in consumer electronics as well as industrial and commercial electronics products, with core competencies ranging from tool fabrication, injection moulding, metal stamping, machining, surface mount technology (“SMT”) and finished product assembly on full turnkey basis.

The Group classified its EMS business into 2 reportable segments, namely consumer electronics products (“Consumer Electronics”) and industrial and commercial electronics products (“Industrial and Commercial”).

Review – Full year results ended 31 March 2014 (“FY2014”) vs Full year results ended 31 March 2013 (“FY2013”)

Revenue (Continuing operations)

Revenue increased by 10.1% or HK\$223.1 million from HK\$2,210.2 million in FY2013 to HK\$2,433.3 million in FY2014. Such increase was mainly attributable to the stable growth from some of our Consumer Electronics customers and Industrial and Commercial Electronics customers.

Consumer Electronics revenue increased by 4.6% to HK\$1,653.3 million (FY2013: HK\$1,581.4 million). Industrial and Commercial Electronics revenue increased by 24.0% to HK\$779.9 million (FY2013: HK\$628.8 million), mainly attributable to the increase in demand from some of Consumer Electronics customers and Industrial and Commercial Electronics customers.

Gross profit and gross profit margin (Continuing operations)

Gross profit increased by 20.9% to HK\$326.8 million and gross profit margin improved to 13.4% (FY2013: 12.2%). Such change in gross profit margin was mainly due to the change in product sales mix during the year.

Other income (Continuing operations)

Other income increased by 13.0% to HK\$12.6 million. Such increase was mainly due to the increase in net foreign exchange gains.

Selling and distribution costs (Continuing operations)

Selling and distribution costs increased by 10.2% to HK\$38.9 million. Such increase was mainly due to the increase in outward logistic costs and sales related expenses to deal with increase in sales volume.

Administrative expenses (Continuing operations)

Administrative expenses increased by 16.1% to HK\$130.1 million. Such increase was mainly due to the increase in salaries for the employees and one-off consultant fees related to the upgrade of the information technology infrastructure.

Net other operating losses (Continuing operations)

The Group entered into certain foreign exchange forward contracts to hedge against its exposure to Renminbi and Singapore Dollar during the year. The net fair value losses on derivative financial instruments of HK\$2.8 million represented the unrealized losses and mark-to-market values of these contracts as at 31 March 2014.

Profit before tax from continuing operations

As a result of the above, the profit before tax from continuing operations of FY2014 increased by 27.1% to HK\$166.9 million.

Results of discontinued operations

The Licensing business was terminated during the year ended 31 March 2013. In FY2013, it contributed HK\$32.7 million to revenue and recorded HK\$39.8 million in loss before tax. No income tax expense was recorded as the Licensing business was loss making.

Financial position and cash flows

As at 31 March 2014, the Group had net current assets of HK\$514.5 million (31 March 2013: HK\$376.4 million), total assets of HK\$1,421.5 million (31 March 2013: HK\$1,112.4 million) and shareholders' funds of HK\$726.6 million (31 March 2013: HK\$592.2 million).

Due to the increase in revenue, the Group's trade receivables increased by HK\$35.7 million from HK\$481.5 million as at 31 March 2013 to HK\$517.2 million as at 31 March 2014. The Group's trade payables increased by HK\$112.6 million from HK\$241.4 million as at 31 March 2013 to HK\$354.0 million as at 31 March 2014. The Group's inventories increased by HK\$20.5 million from HK\$178.4 million as at 31 March 2013 to HK\$198.9 million as at 31 March 2014.

The working capital of the Group as at 31 March 2014, which is the sum of trade receivables and inventories less trade payables, was HK\$362.1 million (31 March 2013: HK\$418.5 million).

As at 31 March 2014, cash and cash equivalents increased significantly to HK\$477.9 million owing to better working capital management (31 March 2013: HK\$221.6 million). Over 90% of its cash and cash equivalents were placed in reputable financial institutions in Hong Kong. For the remaining balance, mainly in PRC, the cash and cash equivalents were placed in equivalent reputable financial institutions. The cash and cash equivalents are annually audited by the Group's auditors.

The Group had no bank borrowings as at 31 March 2014 (31 March 2013: Nil).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A 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.

In FY2014, Valuetronics delivered a strong performance. Our profit margins expanded and the strength of our business was demonstrated, particularly evidenced by the significant growth in the Industrial and Commercial Electronics segment. Our working capital remained healthy with operating activities generating substantial cash flow.

The Industrial and Commercial Electronics segment delivered record revenue this year with a widened customer base. We also continued to benefit from the outsourcing trend in manufacturing, as our product portfolio was further enhanced with the transfers of production facilities from an existing customer as well as a new customer during the year.

Creditable single digital growth in the Consumer Electronics resulted from new products from our customers. We increased profitability with greater operational efficiency and supply chain productivity.

A gradually improving global economy, our expanding product portfolio, and on-going operating efficiency improvements have provided the foundation for continuous growth. We will continue our success by expanding our customer base, even as we face the recurrent headwind of rising labour cost in China. On our part, we will make further efforts to identify cost savings and new areas for efficiency improvements. This includes continuing to invest in automation and lean manufacturing initiatives to improve both labour efficiency and overall productivity. We will also focus on cost improvements on value engineering, supplier productivity and quality enhancement.

In the coming year, we will continue to play an active role in supporting our customers' product innovation and responding to their evolving needs. With our past and future productivity enhancements, we are well positioned to maintain such growth momentum over the longer term.

Barring unforeseen circumstances, the directors expect the Group to remain profitable in the coming year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Amount per Share (in HK cents)	HK 16 cents per ordinary share	HK 4 cents per ordinary share
Tax Rate	Not applicable	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in HK cents)	HK 8 cents per ordinary share
Tax Rate	Not applicable

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**(a) Business segments**

The Group has three reportable segments as follows:

Consumer – consumer electronics

Industrial – industrial and commercial electronics

Licensing – licensed products

Year ended 31 March 2014	Continuing operations			Discontinued operations	Total
	Consumer	Industrial	Total	Licensing	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	1,653,345	779,927	2,433,272	-	2,433,272
Intersegment revenue	-	-	-	-	-
Revenue from external customers	1,653,345	779,927	2,433,272	-	2,433,272
Segment results	160,595	150,680	311,275	-	311,275
Unallocated corporate expenses					(163,370)
Profit for the year					147,905
As at 31 March 2014					
Segment assets	414,782	102,431	517,213	-	517,213
Segment liabilities	101,041	46,510	147,551	-	147,551

Year ended 31 March 2013	Continuing operations			Discontinued operations	Total
	Consumer	Industrial	Total	Licensing	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	1,608,174	628,802	2,236,976	32,722	2,269,698
Intersegment revenue	(26,810)	-	(26,810)	-	(26,810)
Revenue from external customers	1,581,364	628,802	2,210,166	32,722	2,242,888
Segment results	154,323	108,124	262,447	(38,635)	223,812
Unallocated corporate expenses					(145,129)
Profit for the year					78,683
As at 31 March 2013					
Segment assets	382,942	88,563	471,505	10,004	481,509
Segment liabilities	61,326	35,164	96,490	63,504	159,994

Geographical segments

Revenue of geographical segments of principal markets are analyzed by shipment destination.

	Year ended 31 March 2014	Year ended 31 March 2013
	HK\$'000	HK\$'000
United States of America	986,252	855,380
People's Republic of China	655,231	705,524
Netherlands	248,093	325,112
Canada	102,358	96,135
Others	441,338	260,737
Total	2,433,272	2,242,888

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 8 above.

- 15. A breakdown of sales.**

	Year ended 31 March 2014 HK\$'000	Year ended 31 March 2013 HK\$'000	Change %
(a) Sales from continuing operations reported for first half year	1,243,257	1,222,938	1.7
(b) Operating profit after tax before deducting minority interests reported for first half year	72,901	29,039	151.0
(c) Sales from continuing operations reported for second half year	1,190,015	987,228	20.5
(d) Operating profit after tax before deducting minority interests reported for second half year	75,004	49,644	51.1

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Year ended 31 March 2014	Year ended 31 March 2013
	HK\$'000	HK\$'000
Ordinary	73,675	29,215
Preference	N/A	N/A
Total:	73,675	29,215

- 17. If the Group has obtained a general mandate from shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If not IPT mandate has been obtained, a statement to that effect.**

The Company does not have a Shareholders' Mandate for IPTs.

- 18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the prescribed format. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative to a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Tse Chong Hing
Chairman and Managing Director
28 May 2014