

Extraordinary/ Special General Meeting::Voluntary

Issuer & Securities

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

Announcement Details

Announcement Title	Extraordinary/ Special General Meeting
Date & Time of Broadcast	21-Apr-2017 07:24:30
Status	New
Announcement Reference	SG170421XMETI7NM
Submitted By (Co./ Ind. Name)	Tse Chong Hing
Designation	Chairman & Managing Director
Financial Year End	31/03/2017

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attachments - (1) Notice of Special General Meeting (2) Circular to Shareholders - Proposed Bonus Issue

Event Dates

Meeting Date and Time	22/05/2017 10:00:00
Response Deadline Date	20/05/2017 10:00:00

Event Venue(s)

Place	
Venue(s)	Venue details
Meeting Venue	Conference Room 1, TKP Singapore (Raffles Place), 55 Market Street, #03-01, Singapore 048941
Attachments	VHL-Notice of SGM.pdf VHL-Circular to Shareholders-Proposed Bonus Issue.pdf Total size =196K



VALUETRONICS HOLDINGS LIMITED
(Incorporated in Bermuda on 18 August 2006)
(Company Registration Number: 38813)

NOTICE OF SPECIAL GENERAL MEETING

All capitalised terms in this Notice of Special General Meeting which are not defined herein shall have the same meaning ascribed to them in the Company's Circular to Shareholders dated 21 April 2017.

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Shareholders of the Company will be held on 22 May 2017 at 10:00 a.m. at Conference Room 1, TKP Singapore (Raffles Place), 55 Market Street, #03-01, Singapore 048941 for the purpose of considering and, if thought fit, passing with or without modification, the Special Resolution set out below.

SPECIAL RESOLUTION – THE PROPOSED BONUS ISSUE

That upon recommendation of the board of directors of the Company (the "**Directors**"), the Directors be and are hereby authorised to:

- (a) undertake a bonus issue (the "**Proposed Bonus Issue**") of 38,531,375 new ordinary shares of par value HK\$0.10 each in the capital of the Company (the "**Shares**"), on the basis of one (1) new Share (the "**Bonus Share**") for every ten (10) existing Shares (including treasury shares) held by persons who are registered as shareholders of the Company as at 5:00 p.m. on 29 May 2017, being the books closure date, or such other date as may be determined by the Directors (the "**Shareholders**"). Fractional entitlements will be disregarded and disposed of or dealt with in such manner as the Directors may in their absolute discretion deem fit for the benefit of the Company;
- (b) capitalise a sum of HK\$3,853,138, being part of the amount standing to the credit of the share premium account of the Company (the "**Share Premium Account**"), pro-rata to the Shareholders, and accordingly to apply such sum in paying up in full at par 38,531,375 Bonus Shares, and that such Bonus Shares shall be allotted and distributed, issued and credited as fully paid at par, to and amongst the Shareholders, and subject to the memorandum of association and bye-laws of the Company, rank *pari passu* in all respects with the existing Shares except that they shall not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date on which the Bonus Shares are allotted and issued; and
- (c) enter into all such transactions, arrangements and agreements and approve, execute and deliver, all documents, instruments and agreements, and to do all acts and things as may be necessary and expedient in connection with the allotment and issue of the Bonus Shares, including, but not limited to, the amount to be capitalised out of the Share Premium Account and the number of Bonus Shares to be issued, allotted and distributed in the manner referred to in paragraphs (a) and (b) of this resolution.

For and on behalf of the Board of Directors of
VALUETRONICS HOLDINGS LIMITED

Tse Chong Hing
Chairman and Managing Director
21 April 2017

Notes:

1. A Shareholder being a Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act of Singapore) is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. If a Depositor wishes to appoint a proxy/proxies to attend the Meeting, then he/she must complete and deposit the Depositor Proxy Form at the office of the Singapore share transfer agent of the Company, B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544 at least forty-eight (48) hours before the time of the Meeting.
3. If a Depositor is a corporation, the instrument appointing a proxy must be executed under the seal or the hand of its duly authorised officer or attorney.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Special General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Special General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Special General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CIRCULAR DATED 21 APRIL 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of Valuetronics Holdings Limited (the “**Company**”) held through the Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of Special General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Special General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Special General Meeting and the attached Proxy Form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Circular.



VALUETRONICS HOLDINGS LIMITED

(Incorporated in Bermuda on 18 August 2006)

(Company Registration Number: 38813)

CIRCULAR TO SHAREHOLDERS

in relation to

Proposed bonus issue of 38,531,375 new ordinary shares of par value HK\$0.10 each, credited as fully paid at par by way of capitalisation of an appropriate amount standing to the credit of the share premium account of the Company, on the basis of one (1) new ordinary share for every ten (10) existing ordinary shares in the capital of the Company (including treasury shares) held by the shareholders of the Company as at the books closure date, fractional entitlements to be disregarded

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 20 May 2017 at 10:00 a.m.

Date and time of Special General Meeting : 22 May 2017 at 10:00 a.m.

Place of Special General Meeting : Conference Room 1
TKP Singapore (Raffles Place)
55 Market Street, #03-01
Singapore 048941

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or it is otherwise stated:–

- “Act”** : The Companies Act, Cap. 50, of Singapore, as amended from time to time
- “Announcement”** : The announcement in relation to the Proposed Bonus Issue released on SGXNET by the Company on 20 March 2017
- “Annual Report”** : The annual report of the Company
- “Associate”** : (a) In relation to any Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) In relation to a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Bermuda Companies Act”** : The Companies Act 1981 of Bermuda, as amended from time to time
- “Board”** : The board of directors of the Company as at the date of this Circular
- “Bonus Shares”** : 38,531,375 new Shares credited as fully paid at par, by way of capitalisation of an appropriate amount standing to the credit of the Share Premium Account, on the basis of one (1) new Share for every ten (10) existing Shares held by the Shareholders as at the Books Closure Date, all fractions (if any) being disregarded and disposed of or dealt with in such a manner as the Directors may deem fit for the benefit of the Company

DEFINITIONS

“Books Closure Date”	:	Subject to Shareholders’ approval being obtained for the Proposed Bonus Issue, 5.00 p.m. on 29 May 2017, being the time and date, at and on which the Share Transfer Books and Register of Members of the Company will be closed to determine Shareholders’ entitlements under the Proposed Bonus Issue
“Bye-Laws”	:	The Bye-Laws of the Company, as amended, varied or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 21 April 2017
“Company”	:	Valuetronics Holdings Limited
“Controlling Shareholder”	:	A Shareholder who: (a) holds directly or indirectly 15% or more of the total number of Shares excluding treasury shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is a controlling shareholder; or (b) in fact exercises control over the Company
“Directors”	:	The directors of the Company as at the date of this Circular
“EPS”	:	Earnings per Share
“Executive Director”	:	An executive director of the Company
“Financial Statement”	:	The financial statement and related announcement of the Company
“FY”	:	Financial year ended or ending 31 March, as the case may be
“Group”	:	The Company and its subsidiaries
“Independent Director”	:	An independent director of the Company
“Latest Practicable Date”	:	14 April 2017, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST, as amended from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities

DEFINITIONS

“Memorandum of Association”	:	The Memorandum of Association of the Company, as amended, varied or supplemented from time to time
“NAV”	:	Net asset value
“Notice of SGM”	:	The notice of SGM as set out on page N-1 of this Circular
“Option Scheme”	:	The Valuetronics Employee Share Option Scheme, as approved and adopted by the Company on 6 February 2007 and subsequently modified on 28 July 2008
“Options”	:	Options granted to Company’s employees, Executive Directors, Independent Directors, and Controlling Shareholders and their Associates pursuant to the Option Scheme
“Proposed Bonus Issue”	:	The proposed bonus issue of 38,531,375 new Shares credited as fully paid at par, by way of capitalisation of an appropriate amount standing to the credit of the Share Premium Account, on the basis of one (1) new Share for every ten (10) existing Shares held by the Shareholders as at the Books Closure Date, all fractions (if any) being disregarded and disposed of or dealt with in such a manner as the Directors may deem fit for the benefit of the Company
“PSP”	:	The Valuetronics Performance Share Plan, as approved and adopted by the Company on 28 July 2008
“Record Date”	:	A date on which, at the close of business, Shareholders must be registered with the Company or CDP in order to participate in any dividends, rights, allotments or other distributions
“Securities Account”	:	Securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act, Cap. 289, of Singapore, as amended from time to time
“SGM”	:	The special general meeting of the Company, notice of which is set out on page N-1 of this Circular
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Awards”	:	Shares awarded under the PSP to Directors and employees of the Company

DEFINITIONS

“Shareholders”	:	Registered holders of Shares in the Register of Members maintained by the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors in the Depository Register maintained by CDP and to whose Securities Accounts are credited with Shares
“Shareholders’ Funds”	:	The aggregate of the issued and paid up share capital and reserves of the Group, excluding treasury shares
“Share Premium Account”	:	The share premium account of the Company
“Shares”	:	Issued and paid up ordinary shares of par value HK\$0.10 each in the capital of the Company
“Special Resolution”	:	The special resolution as set out on page N-1 of this Circular
“Substantial Shareholder”	:	A substantial Shareholder as defined under the Act
“HK\$”	:	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“%”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The terms **“associate”**, **“associate company”** and **“subsidiary”** shall have the same meanings ascribed to them respectively in the Listing Manual and the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to **“persons”** shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Bermuda Companies Act, the Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Bermuda Companies Act, the Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless the context otherwise requires.

Any discrepancies in figures in the tables included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

VALUETRONICS HOLDINGS LIMITED

(Incorporated in Bermuda on 18 August 2006)

(Company Registration Number: 38813)

Board of Directors:

Tse Chong Hing Chairman and Managing Director
Chow Kok Kit Executive Director
Tan Siok Chin Non-Executive Director
Ong Tiew Siam Lead Independent Director
Loo Cheng Guan Independent Director

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

21 April 2017

To: The Shareholders of Valuetronics Holdings Limited

Dear Sir/Madam

THE PROPOSED BONUS ISSUE

1. INTRODUCTION

1.1. The Proposed Bonus Issue

On 20 March 2017, the Directors announced that the Company is proposing a bonus issue of new Shares, on the basis of one (1) new Share for every ten (10) existing Shares (including treasury shares) held by the Shareholders as at the Books Closure Date. Fractional entitlements will be disregarded and disposed of or dealt with in such manner as the Directors may in their absolute discretion deem fit for the benefit of the Company.

Subject to the approval of the Shareholders, to be obtained by way of the Special Resolution at the SGM, and the approval of the SGX-ST for the dealing in, listing and quotation of the Bonus Shares on the Official List of the SGX-ST, the Bonus Shares will be credited as fully paid at par by way of capitalisation of an appropriate amount standing to the credit of the Share Premium Account.

1.2. Circular

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with, *inter alia*, information relating to, and to seek the approval of Shareholders for the Proposed Bonus Issue at the SGM to be held on 22 May 2017 at 10:00 a.m. at Conference Room 1, TKP Singapore (Raffles Place), 55 Market Street, #03-01, Singapore 048941. The Notice of SGM is set out on page N-1 of this Circular.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, opinions expressed or reports contained in this Circular.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

LETTER TO SHAREHOLDERS

2. RATIONALE FOR THE PROPOSED BONUS ISSUE

The Company is proposing the Proposed Bonus Issue to increase the issued share capital base of the Company to reflect the growth and expansion of its business. At the same time, to mark the 10th anniversary of the listing of the Company and the 25th anniversary of the operations of its principal operating subsidiary, Honor Tone Limited, the Company wishes to recognise and reward its Shareholders for their continuing support and loyalty. The Proposed Bonus Issue, if carried out, will also increase the accessibility of an investment in the Company, thereby improving the trading liquidity of the Shares, allowing for greater participation by investors and broadening the Shareholder base.

3. TERMS OF THE PROPOSED BONUS ISSUE

As at the Latest Practicable Date, the existing issued and paid-up share capital of the Company comprises 385,313,750 Shares (including 3,039,800 treasury shares). Accordingly, 38,531,375 Bonus Shares will be allotted and issued pursuant to the Proposed Bonus Issue.

The Proposed Bonus Issue will be effected by capitalising HK\$3,853,138 standing to the credit of the Share Premium Account and applying the same towards payment in full at par for 38,531,375 Bonus Shares.

The Bonus Shares when allotted and issued, will rank *pari passu* in all respects with the existing issued Shares and with each other, except that the Bonus Shares will not be entitled to such dividends, rights, allotments and other distributions, the Record Date of which falls before the date on which the Bonus Shares are allotted and issued.

The Company's auditors, PricewaterhouseCoopers, have confirmed that as at 31 March 2016, the Company has sufficient reserves in its Share Premium Account for such capitalisation in respect of the Proposed Bonus Issue.

4. FINANCIAL EFFECTS OF THE PROPOSED BONUS ISSUE

Assuming that the Proposed Bonus Issue had been completed on 31 March 2016 and 31 December 2016, the financial effects of the Bonus Issue on the share capital of the Company, the NAV per Share of the Group, the EPS of the Group and gearing of the Group, based on the audited consolidated accounts of the Group as at 31 March 2016 and the unaudited consolidated accounts of the Group as at 31 December 2016 are summarised below for purposes of illustration.

The financial effects of the Proposed Bonus Issue are presented herein purely for illustrative purposes only and should not be taken to represent the actual financial situation of the Company or Group immediately after the Proposed Bonus Issue nor the future financial situation of the Company or Group.

LETTER TO SHAREHOLDERS

4.1. Share Capital

The effect of the Proposed Bonus Issue on the share capital of the Company is illustrated as follows:

	As at 31 March 2016		As at 31 December 2016	
	Before the Proposed Bonus Issue	After the Proposed Bonus Issue	Before the Proposed Bonus Issue	After the Proposed Bonus Issue
Number of issued Shares including treasury shares	380,138,750	418,152,625	384,388,750	422,827,625
Issued share capital including treasury shares (HK\$'000)	38,014	41,815	38,439	42,283

4.2. Shareholders' Funds

The effect of the Proposed Bonus Issue on Shareholders' Funds is illustrated as follows:

	As at 31 March 2016		As at 31 December 2016	
	Before the Proposed Bonus Issue	After the Proposed Bonus Issue	Before the Proposed Bonus Issue	After the Proposed Bonus Issue
Issued share capital including treasury shares (HK\$'000)	38,014	41,815	38,439	42,283
Treasury shares (HK\$'000)	(1,980)	(1,989)	(8,267)	(8,297)
Reserves (HK\$'000)	821,265	817,473	862,475	858,661
Shareholders' Funds (HK\$'000)	857,299	857,299	892,647	892,647

4.3. Net Asset Value ("NAV")

The effect of the Proposed Bonus Issue on the NAV of the Group is illustrated as follows:

	As at 31 March 2016		As at 31 December 2016	
	Before the Proposed Bonus Issue	After the Proposed Bonus Issue	Before the Proposed Bonus Issue	After the Proposed Bonus Issue
NAV per issued Share excluding treasury shares (HK\$)	2.3	2.1	2.3	2.1
Number of issued Shares excluding treasury shares	379,213,350	417,134,685	381,348,950	419,483,845

LETTER TO SHAREHOLDERS

4.4. Earnings per Share (“EPS”)

The effect of the Proposed Bonus Issue on the EPS of the Group is illustrated as follows:

	For the year ended 31 March 2016		For the nine months ended 31 December 2016	
	Before the Proposed Bonus Issue	After the Proposed Bonus Issue	Before the Proposed Bonus Issue	After the Proposed Bonus Issue
Profit attributable to Shareholders (HK\$'000)	120,438	120,438	110,511	110,511
Basic EPS (HK\$ cents)	31.9	29.0	29.1	26.4
Fully diluted EPS (HK\$ cents)	31.7	28.8	28.9	26.2

4.5. Dividends

Barring any unforeseen circumstances, after assessment of the internal working capital and cash flow requirements of the Company, the Directors are of the opinion that after the Proposed Bonus Issue, the Company expects to maintain the quantum of ordinary dividends declared and paid in the previous year. However, any intention to recommend future dividends will be subject to various factors such as the level of cash and retained earnings, actual and projected financial performance, projected levels of capital expenditure and other investment plans and other operational conditions of the Company's businesses at the time of declaration of the proposed dividend, if any.

For Shareholders' information, the Company's ordinary dividend track record for the past two financial years is as follows:

Financial Year	Gross ordinary dividend amount
	Final (HK\$'000)
FY 2015	60,382
FY 2016	49,298

4.6. Gearing

Gearing refers to the ratio of the aggregate of the interest bearing liabilities arising from bank loans and hire purchase payables of the Group to Shareholders' Funds.

Based on the audited consolidated accounts of the Group as at 31 March 2016 and the unaudited consolidated accounts of the Group as at 31 December 2016, the Group does not have any interest bearing liabilities.

Accordingly, the Group has no gearing.

LETTER TO SHAREHOLDERS

5. ADJUSTMENTS TO SHARE AWARDS UNDER THE PSP

As at the Latest Practicable Date, there are no outstanding Share Awards under the PSP.

The Company will make necessary adjustments with respect to the Share Awards (if any) granted under the PSP, to take into account the Proposed Bonus Issue in accordance with the rules of the PSP.

6. ADJUSTMENTS TO OPTIONS GRANTED UNDER THE OPTION SCHEME

As at the Latest Practicable Date, the Company has 14,700,000 outstanding Options under the Option Scheme, entitling holders thereof to subscribe for a total of 14,700,000 Shares. Details of the outstanding Options are shown in the table below:

Option Scheme	Exercise Price	Balance as at the Latest Practicable Date
Incentive Options (Note 1)	S\$0.406	2,775,000
	S\$0.295	6,300,000
	S\$0.417	3,450,000
Market Options (Note 2)	S\$0.521	2,175,000
Total		<u>14,700,000</u>

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.

As at the Last Practicable Date, none of the 14,700,000 outstanding Options are vested and capable of being exercised.

The Proposed Bonus Issue may give rise to adjustments to the number of outstanding Options which a holder of Options may be entitled to be issued with and/or the exercise price of the outstanding Options pursuant to the rules governing the Option Scheme.

Any adjustments which are required will be made in accordance with the rules of the Option Scheme to mitigate any potential equity dilution resulting from the Proposed Bonus Issue and to ensure that the status of the holders of the Options is not prejudiced thereafter. The rights and obligations of the holders of Options will remain unchanged, save for the adjustment to the number of Options granted under the Option Scheme and/or the exercise price in respect of the Options.

LETTER TO SHAREHOLDERS

7. APPROVALS

Approval In-Principle for the dealing in, listing of and quotation for the Bonus Shares on the Official List of the Mainboard of the SGX-ST has been granted by the SGX-ST on 12 April 2017, subject to the approval of the Shareholders being obtained at the SGM with regard to the Proposed Bonus Issue, compliance with the SGX-ST's listing requirements and submission of a written confirmation that the Proposed Bonus Issue is in compliance with the Bermuda Companies Act.

Such approval by the SGX-ST is not to be taken as an indication of the merits of the Proposed Bonus Issue, the Bonus Shares, the Company and/or its subsidiaries.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Bonus Issue other than through their respective shareholdings in the Company.

9. NOTICE OF BOOKS CLOSURE

Notice is hereby given that, subject to the approval of the Shareholders for the Proposed Bonus Issue at the SGM, the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 29 May 2017, being the Books Closure Date for the purpose of determining Shareholders' entitlements under the Proposed Bonus Issue.

Shareholders (whose Shares are deposited with CDP) whose Securities Accounts with CDP are credited with Shares as at the Books Closure Date will be allotted Bonus Shares on the basis of the number of Shares standing to the credit of their Securities Accounts with CDP as at 5.00 p.m. on 29 May 2017, being the Books Closure Date.

Duly completed and stamped transfers in respect of Shares not registered in the name of CDP together with all relevant documents of title thereto received by the Singapore share transfer agent of the Company, B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544, up to the close of business at 5.00 p.m. on 29 May 2017, being the Books Closure Date, will be registered to determine Shareholders' entitlements under the Proposed Bonus Issue.

10. DIRECTORS' RECOMMENDATIONS

The Directors, having considered, *inter alia*, the rationale for and the financial effects of the Proposed Bonus Issue as set out in this Circular, are of the opinion that the Proposed Bonus Issue is in the best interests of the Company and its Shareholders. The Directors accordingly recommend that Shareholders vote in favour of the Special Resolution relating to the Proposed Bonus Issue at the SGM.

11. THE SGM

The SGM, notice of which is set out on page N-1 of this Circular, will be held on 22 May 2017 at 10:00 a.m. at Conference Room 1, TKP Singapore (Raffles Place), 55 Market Street, #03-01, Singapore 048941 for the purpose of considering and, if thought fit, passing with or without modification, the Special Resolution set out in the Notice of SGM.

LETTER TO SHAREHOLDERS

12. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the SGM and wish to appoint a proxy to attend and vote at the SGM on their behalf must complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to be deposited at the office of the Singapore share transfer agent of the Company, B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544, not less than 48 hours before the time fixed for holding the SGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the SGM in place of his proxy if he finds that he is able to do so. However, any appointment of a proxy by such Shareholder shall be deemed to be revoked if the Shareholder attends the SGM in person, and in such event, the Company reserves the right to refuse to admit any person, appointed under the instrument of proxy, to the SGM.

Depositors who wish to attend and vote at the SGM, and whose names are shown in the records of CDP as at a time not earlier than 48 hours prior to the time of the SGM supplied by CDP to the Company, may attend as CDP's proxies. Such Depositors who are individuals and who wish to attend the SGM in person need not take any further action and can attend and vote at the SGM without the lodgement of any proxy form. Such Depositors who are unable to attend personally and wish to appoint a nominee to attend and vote on his behalf, and such Depositors who are not individuals, must complete, sign and return the Depositor Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event, so as to reach the office of the Singapore share transfer agent of the Company, B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544, not less than 48 hours before the time fixed for holding the SGM. The completion and return of a Depositor Proxy Form by a Depositor who is an individual does not preclude him from attending and voting in person at the SGM in place of his nominee if he finds he is able to do so.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Bonus Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

LETTER TO SHAREHOLDERS

14. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Singapore share transfer agent of the Company, B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544, during normal business hours from the date of this Circular, up to and including the time and date of the SGM:–

- 14.1. the Memorandum of Association and Bye-laws of the Company;
- 14.2. the Announcement;
- 14.3. the Annual Report for FY2016;
- 14.4. the Financial Statement for the financial period ended 31 December 2016.

Yours faithfully,
For and on behalf of the Board of Directors of
VALUETRONICS HOLDINGS LIMITED

Tse Chong Hing
Chairman and Managing Director

NOTICE OF SPECIAL GENERAL MEETING

VALUETRONICS HOLDINGS LIMITED

(Incorporated in Bermuda on 18 August 2006)

(Company Registration Number: 38813)

All capitalised terms in this Notice of Special General Meeting which are not defined herein shall have the same meaning ascribed to them in the Company's Circular to Shareholders dated 21 April 2017.

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Shareholders of the Company will be held on 22 May 2017 at 10:00 a.m. at Conference Room 1, TKP Singapore (Raffles Place), 55 Market Street, #03-01, Singapore 048941 for the purpose of considering and, if thought fit, passing with or without modification, the Special Resolution set out below.

SPECIAL RESOLUTION – THE PROPOSED BONUS ISSUE

That upon recommendation of the board of directors of the Company (the “**Directors**”), the Directors be and are hereby authorised to:

- (a) undertake a bonus issue (the “**Proposed Bonus Issue**”) of 38,531,375 new ordinary shares of par value HK\$0.10 each in the capital of the Company (the “**Shares**”), on the basis of one (1) new Share (the “**Bonus Share**”) for every ten (10) existing Shares (including treasury shares) held by persons who are registered as shareholders of the Company as at 5.00 p.m. on 29 May 2017, being the books closure date, or such other date as may be determined by the Directors (the “**Shareholders**”). Fractional entitlements will be disregarded and disposed of or dealt with in such manner as the Directors may in their absolute discretion deem fit for the benefit of the Company;
- (b) capitalise a sum of HK\$3,853,138, being part of the amount standing to the credit of the share premium account of the Company (the “**Share Premium Account**”), pro-rata to the Shareholders, and accordingly to apply such sum in paying up in full at par 38,531,375 Bonus Shares, and that such Bonus Shares shall be allotted and distributed, issued and credited as fully paid at par, to and amongst the Shareholders, and subject to the memorandum of association and bye-laws of the Company, rank *pari passu* in all respects with the existing Shares except that they shall not rank for any dividends, rights, allotments or other distributions, the record date for which falls before the date on which the Bonus Shares are allotted and issued; and
- (c) enter into all such transactions, arrangements and agreements and approve, execute and deliver, all documents, instruments and agreements, and to do all acts and things as may be necessary and expedient in connection with the allotment and issue of the Bonus Shares, including, but not limited to, the amount to be capitalised out of the Share Premium Account and the number of Bonus Shares to be issued, allotted and distributed in the manner referred to in paragraphs (a) and (b) of this resolution.

For and on behalf of the Board of Directors of
VALUETRONICS HOLDINGS LIMITED

Tse Chong Hing
Chairman and Managing Director
21 April 2017

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A Shareholder being a Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act of Singapore) is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. If a Depositor wishes to appoint a proxy/proxies to attend the Meeting, then he/she must complete and deposit the Depositor Proxy Form at the office of the Singapore share transfer agent of the Company, B.A.C.S. Private Limited, at 8 Robinson Road #03-00, ASO Building, Singapore 048544 at least forty-eight (48) hours before the time of the Meeting.
3. If a Depositor is a corporation, the instrument appointing a proxy must be executed under the seal or the hand of its duly authorised officer or attorney.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Special General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Special General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Special General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.