

## Financial Statements and Related Announcement::Third Quarter Results

## Issuer &amp; Securities

|                         |  |
|-------------------------|--|
| <b>Issuer/ Manager</b>  | VALUETRONICS HOLDINGS LIMITED                      |
| <b>Securities</b>       | VALUETRONICS HOLDINGS LIMITED - BMG9316Y1084 - BN2 |
| <b>Stapled Security</b> | No   |

## Announcement Details

|  |   |
|--|---|
| <b>Announcement Title</b>  | Financial Statements and Related Announcement |
| <b>Date &amp; Time of Broadcast</b>  | 09-Feb-2018 07:39:44                          |
| <b>Status</b>  | New   |
| <b>Announcement Sub Title</b>  | Third Quarter Results                         |
| <b>Announcement Reference</b>  | SG180209OTHRFF51                              |
| <b>Submitted By (Co./ Ind. Name)</b>   | Tse Chong Hing                                |
| <b>Designation</b>   | Chairman and Managing Director                |
| <b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b> | PLEASE SEE ATTACHED.                          |

## Additional Details

|                                   |  |
|-----------------------------------|--|
| <b>For Financial Period Ended</b> | 31/12/2017   |
| <b>Attachments</b>                | <a href="#">VHL - 3QFY2018 Results.pdf</a><br>Total size =165K |

**VALUETRONICS HOLDINGS LIMITED**

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

**THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2017****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 Income Statement for the period ended 31 December 2017**

|                                   | The Group                  |                |             | The Group                  |               |             |
|-----------------------------------|----------------------------|----------------|-------------|----------------------------|---------------|-------------|
|                                   | 9 months ended 31 December |                |             | 3 months ended 31 December |               |             |
|                                   | 2017                       | 2016           | Change      | 2017                       | 2016          | Change      |
|                                   | HK\$'000                   | HK\$'000       | %           | HK\$'000                   | HK\$'000      | %           |
| Revenue                           | 2,209,696                  | 1,638,785      | 34.8        | 788,319                    | 587,608       | 34.2        |
| Cost of sales                     | (1,886,807)                | (1,387,625)    | 36.0        | (674,614)                  | (496,586)     | 35.9        |
| <b>Gross profit</b>               | <b>322,889</b>             | <b>251,160</b> | <b>28.6</b> | <b>113,705</b>             | <b>91,022</b> | <b>24.9</b> |
| Selling and distribution expenses | (30,396)                   | (23,102)       | 31.6        | (12,130)                   | (8,155)       | 48.7        |
| Administrative expenses           | (121,713)                  | (108,953)      | 11.7        | (39,573)                   | (35,703)      | 10.8        |
| Other income and gains, net       | 9,902                      | 7,549          | 31.2        | 5,171                      | 2,157         | 139.7       |
| <b>Operating profit</b>           | <b>180,682</b>             | <b>126,654</b> | <b>42.7</b> | <b>67,173</b>              | <b>49,321</b> | <b>36.2</b> |
| Finance costs                     | (526)                      | (498)          | 5.6         | (145)                      | (176)         | -17.6       |
| <b>Profit before income tax</b>   | <b>180,156</b>             | <b>126,156</b> | <b>42.8</b> | <b>67,028</b>              | <b>49,145</b> | <b>36.4</b> |
| Income tax expense                | (22,409)                   | (15,645)       | 43.2        | (8,847)                    | (6,278)       | 40.9        |
| <b>Profit for the period</b>      | <b>157,747</b>             | <b>110,511</b> | <b>42.7</b> | <b>58,181</b>              | <b>42,867</b> | <b>35.7</b> |
| <b>Attributable to:</b>           |                            |                |             |                            |               |             |
| Owners of the Company             | 157,747                    | 110,511        | 42.7        | 58,181                     | 42,867        | 35.7        |

## Consolidated Statement of Comprehensive Income for the period ended 31 December 2017

|  | The Group                  |          |        | The Group                  |          |        |
|--|----------------------------|----------|--------|----------------------------|----------|--------|
|  | 9 months ended 31 December |          |        | 3 months ended 31 December |          |        |
|  | 2017                       | 2016     | Change | 2017                       | 2016     | Change |
|  | HK\$'000                   | HK\$'000 | %      | HK\$'000                   | HK\$'000 | %      |
| Profit for the period                                    | 157,747                    | 110,511  | 42.7   | 58,181                     | 42,867   | 35.7   |
| Other comprehensive gain / (loss), net of tax:           |                            |          |        |                            |          |        |
| <i>Items that may be reclassified to profit or loss:</i> |                            |          |        |                            |          |        |
| Currency translation differences                         | 4,125                      | (4,755)  | -186.8 | 641                        | (2,913)  | -122.0 |
| Total comprehensive income for the period                | 161,872                    | 105,756  | 53.1   | 58,822                     | 39,954   | 47.2   |
| Attributable to:   |                            |          |        |                            |          |        |
| Owners of the Company                                    | 161,872                    | 105,756  | 53.1   | 58,822                     | 39,954   | 47.2   |

**Note:**

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

|   | The Group                  |          | The Group                  |          |
|---|----------------------------|----------|----------------------------|----------|
|   | 9 months ended 31 December |          | 3 months ended 31 December |          |
|   | 2017                       | 2016     | 2017                       | 2016     |
|   | HK\$'000                   | HK\$'000 | HK\$'000                   | HK\$'000 |
| Depreciation on property, plant and equipment       | 26,830                     | 23,478   | 10,567                     | 7,117    |
| Amortisation of land use rights                     | 337                        | 335      | 115                        | 104      |
| Gains on disposals of property, plant and equipment | (515)                      | (295)    | (175)                      | (11)     |
| Interest income                                     | (7,122)                    | (5,449)  | (2,405)                    | (1,835)  |
| Bank charges  | 526                        | 498      | 145                        | 176      |
| Net exchange (gains) / losses                       | (532)                      | 184      | (2,116)                    | 304      |

**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 December 2017**

|  | The Group        |                  | The Company      |                 |
|--|------------------|------------------|------------------|-----------------|
|  | At<br>31.12.2017 | At<br>31.3.2017  | At<br>31.12.2017 | At<br>31.3.2017 |
|  | HK\$'000         | HK\$'000         | HK\$'000         | HK\$'000        |
| <b>ASSETS</b>                                |                  |                  |                  |                 |
| <b>Non-current assets</b>                    |                  |                  |                  |                 |
| Land use rights                              | 18,030           | 17,443           | -                | -               |
| Property, plant and equipment*               | 204,960          | 157,133          | -                | -               |
| Interests in subsidiaries                    | -                | -                | 83,330           | 83,330          |
| Available-for-sale financial assets          | 50,430           | 17,142           | -                | -               |
| Others                                       | 6,770            | 16,161           | -                | -               |
| <b>Total non-current assets</b>              | <b>280,190</b>   | <b>207,879</b>   | <b>83,330</b>    | <b>83,330</b>   |
| <b>Current assets</b>                        |                  |                  |                  |                 |
| Inventories                                  | 448,360          | 291,864          | -                | -               |
| Trade receivables                            | 696,441          | 486,275          | -                | -               |
| Other receivables and prepayments            | 35,498           | 29,296           | 324              | 328             |
| Due from subsidiaries                        | -                | -                | 277,956          | 366,439         |
| Available-for-sale financial assets          | 31,418           | 54,762           | -                | -               |
| Cash and cash equivalents                    | 640,354          | 752,941          | 430              | 1,760           |
| <b>Total current assets</b>                  | <b>1,852,071</b> | <b>1,615,138</b> | <b>278,710</b>   | <b>368,527</b>  |
| <b>Total assets</b>                          | <b>2,132,261</b> | <b>1,823,017</b> | <b>362,040</b>   | <b>451,857</b>  |
| <b>EQUITY</b>                                |                  |                  |                  |                 |
| Share capital                                | 43,240           | 38,439           | 43,240           | 38,439          |
| Treasury shares                              | (8,298)          | (8,268)          | (8,298)          | (8,268)         |
| Reserves                                     | 975,516          | 908,403          | 326,719          | 421,232         |
| <b>Total equity</b>                          | <b>1,010,458</b> | <b>938,574</b>   | <b>361,661</b>   | <b>451,403</b>  |
| <b>LIABILITIES</b>                           |                  |                  |                  |                 |
| <b>Non-current liabilities</b>               |                  |                  |                  |                 |
| Deferred income tax liabilities              | 3,294            | 3,294            | -                | -               |
| <b>Total non-current liabilities</b>         | <b>3,294</b>     | <b>3,294</b>     | <b>-</b>         | <b>-</b>        |
| <b>Current liabilities</b>                   |                  |                  |                  |                 |
| Trade payables                               | 644,503          | 484,708          | -                | -               |
| Other payables and accruals                  | 420,998          | 365,849          | 379              | 454             |
| Current income tax liabilities               | 53,008           | 30,592           | -                | -               |
| <b>Total current liabilities</b>             | <b>1,118,509</b> | <b>881,149</b>   | <b>379</b>       | <b>454</b>      |
| <b>Total liabilities</b>                     | <b>1,121,803</b> | <b>884,443</b>   | <b>379</b>       | <b>454</b>      |
| <b>Total equity and liabilities</b>          | <b>2,132,261</b> | <b>1,823,017</b> | <b>362,040</b>   | <b>451,857</b>  |
| <b>Net current assets</b>                    | <b>733,562</b>   | <b>733,989</b>   | <b>278,331</b>   | <b>368,073</b>  |
| <b>Total assets less current liabilities</b> | <b>1,013,752</b> | <b>941,868</b>   | <b>361,661</b>   | <b>451,403</b>  |

\*The increase in property, plant and equipment mainly represented additions of SMT line and shop floor Manufacturing Execution System.

**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 December 2017 |           | As at 31 March 2017 |           |
|------------------------|-----------|---------------------|-----------|
| Secured                | Unsecured | Secured             | Unsecured |
| HK\$'000               | HK\$'000  | HK\$'000            | HK\$'000  |
| Nil                    | Nil       | Nil                 | Nil       |

**Amount repayable after one year**

| As at 31 December 2017 |           | As at 31 March 2017 |           |
|------------------------|-----------|---------------------|-----------|
| 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 period ended 31 December 2017**

|  | The Group                  |                 | The Group                  |                |
|--|----------------------------|-----------------|----------------------------|----------------|
|  | 9 months ended 31 December |                 | 3 months ended 31 December |                |
|  | 2017                       | 2016            | 2017                       | 2016           |
|  | HK\$'000                   | HK\$'000        | HK\$'000                   | HK\$'000       |
| <b>Cash flows from operating activities</b>                          |                            |                 |                            |                |
| Profit before income tax   | 180,156                    | 126,156         | 67,028                     | 49,145         |
| Adjustments for :  |                            |                 |                            |                |
| Amortisation of land use rights                                      | 337                        | 335             | 115                        | 104            |
| Depreciation on property, plant and equipment                        | 26,830                     | 23,478          | 10,567                     | 7,117          |
| Gains on disposals of property, plant and equipment                  | (515)                      | (295)           | (175)                      | (11)           |
| Share-based compensation   | 4,236                      | 4,903           | 1,290                      | 2,046          |
| Interest income  | (7,122)                    | (5,449)         | (2,405)                    | (1,835)        |
|  | <b>203,922</b>             | <b>149,128</b>  | <b>76,420</b>              | <b>56,566</b>  |
| Changes in working capital:  |                            |                 |                            |                |
| Increase in inventories  | (156,496)                  | (115,769)       | (32,006)                   | (46,645)       |
| Increase in trade receivables  | (210,166)                  | (146,391)       | (107,651)                  | (33,738)       |
| (Increase) / decrease in prepayments, deposits and other receivables | (6,202)                    | (18,674)        | 2,312                      | (10,685)       |
| Increase in trade payables   | 159,795                    | 182,535         | 59,644                     | 42,755         |
| Increase in accruals, other payables and deposits received           | 55,149                     | 8,097           | 46,185                     | 13,365         |
| <b>Net cash generated from operations</b>                            | <b>46,002</b>              | <b>58,926</b>   | <b>44,904</b>              | <b>21,618</b>  |
| Income tax paid  | (377)                      | (1,844)         | -                          | (921)          |
| <b>Net cash generated from operating activities</b>                  | <b>45,625</b>              | <b>57,082</b>   | <b>44,904</b>              | <b>20,697</b>  |
| <b>Cash flows from investing activities</b>                          |                            |                 |                            |                |
| Purchase of property, plant and equipment                            | (61,941)                   | (18,299)        | (8,467)                    | (11,425)       |
| Proceeds from disposals of property, plant and equipment             | 579                        | 2,119           | 214                        | 32             |
| Purchase of available-for-sale financial assets                      | (42,800)                   | -               | (11,800)                   | -              |
| Redemption of available-for-sale financial assets                    | 32,856                     | 8,046           | 15,594                     | -              |
| Interest received  | 7,122                      | 5,449           | 2,405                      | 1,835          |
| <b>Net cash used in investing activities</b>                         | <b>(64,184)</b>            | <b>(2,685)</b>  | <b>(2,054)</b>             | <b>(9,558)</b> |
| <b>Cash flows from financing activities</b>                          |                            |                 |                            |                |
| Purchase of Treasury Shares  | -                          | (6,287)         | -                          | (1,297)        |
| Dividend paid  | (114,134)                  | (75,843)        | (30,034)                   | -              |
| Proceeds from shares issued in exercise of share options             | 19,910                     | 6,819           | -                          | -              |
| <b>Net cash used in financing activities</b>                         | <b>(94,224)</b>            | <b>(75,311)</b> | <b>(30,034)</b>            | <b>(1,297)</b> |
| <b>Net (decrease) / increase in cash and cash equivalents</b>        | <b>(112,783)</b>           | <b>(20,914)</b> | <b>12,816</b>              | <b>9,842</b>   |
| Effect of foreign exchange rate changes                              | 196                        | 1,820           | 55                         | 1,139          |
| <b>Cash and cash equivalents at beginning of the period</b>          | <b>752,941</b>             | <b>689,260</b>  | <b>627,483</b>             | <b>659,185</b> |
| <b>Cash and cash equivalents at end of the period</b>                | <b>640,354</b>             | <b>670,166</b>  | <b>640,354</b>             | <b>670,166</b> |

**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 period ended 31 December 2017**

| The Group  | Attributable to the owners of the Company |                |                |                             |                              |                          |                |                   |                  |              |
|--|---|----------------|----------------|-----------------------------|------------------------------|--------------------------|----------------|-------------------|------------------|--------------|
|  | Reserves                                  |                |                |                             |                              |                          |                | Retained earnings | Total reserves   | Total equity |
|  | Share capital                             | Treasury share | Share premium  | Share-based payment reserve | Currency translation reserve | Statutory reserve (Note) |                |                   |                  |              |
| HK\$'000   | HK\$'000                                  | HK\$'000       | HK\$'000       | HK\$'000                    | HK\$'000                     | HK\$'000                 | HK\$'000       | HK\$'000          | HK\$'000         |              |
| Balance at 1 April 2017                                  | 38,439                                    | (8,268)        | 130,791        | 10,342                      | 14,219                       | 3,427                    | 749,624        | 908,403           | 938,574          |              |
| Total comprehensive income for the period                | -   | -              | -              | -                           | 4,125                        | -                        | 157,747        | 161,872           | 161,872          |              |
| Dividends paid   | -   | -              | -              | -                           | -                            | -                        | (114,134)      | (114,134)         | (114,134)        |              |
| Issue of shares on exercise of share options             | 947                                       | -              | 18,963         | -                           | -                            | -                        | -              | 18,963            | 19,910           |              |
| Transfer to share premium upon exercise of share options | -   | -              | 9,135          | (9,135)                     | -                            | -                        | -              | -                 | -                |              |
| Issue of bonus shares                                    | 3,854                                     | (30)           | (3,824)        | -                           | -                            | -                        | -              | (3,824)           | -                |              |
| Share-based compensation                                 | -   | -              | -              | 4,236                       | -                            | -                        | -              | 4,236             | 4,236            |              |
| Changes in equity for the period                         | 4,801                                     | (30)           | 24,274         | (4,899)                     | 4,125                        | -                        | 43,613         | 67,113            | 71,884           |              |
| <b>Balance at 31 December 2017</b>                       | <b>43,240</b>                             | <b>(8,298)</b> | <b>155,065</b> | <b>5,443</b>                | <b>18,344</b>                | <b>3,427</b>             | <b>793,237</b> | <b>975,516</b>    | <b>1,010,458</b> |              |
| Balance at 1 April 2016                                  | 38,014                                    | (1,980)        | 120,522        | 7,829                       | 18,359                       | 3,063                    | 671,492        | 821,265           | 857,299          |              |
| Total comprehensive income for the period                | -   | -              | -              | -                           | (4,755)                      | -                        | 110,511        | 105,756           | 105,756          |              |
| Dividends paid   | -   | -              | -              | -                           | -                            | -                        | (75,843)       | (75,843)          | (75,843)         |              |
| Issue of shares on exercise of share options             | 425                                       | -              | 6,394          | -                           | -                            | -                        | -              | 6,394             | 6,819            |              |
| Transfer to share premium upon exercise of share options | -   | -              | 3,917          | (3,917)                     | -                            | -                        | -              | -                 | -                |              |
| Share-based compensation                                 | -   | -              | -              | 4,903                       | -                            | -                        | -              | 4,903             | 4,903            |              |
| Lapse of share options                                   | -   | -              | -              | (75)                        | -                            | -                        | 75             | -                 | -                |              |
| Purchase of treasury shares                              | -   | (6,287)        | -              | -                           | -                            | -                        | -              | -                 | (6,287)          |              |
| Changes in equity for the period                         | 425                                       | (6,287)        | 10,311         | 911                         | (4,755)                      | -                        | 34,743         | 41,210            | 35,348           |              |
| <b>Balance at 31 December 2016</b>                       | <b>38,439</b>                             | <b>(8,267)</b> | <b>130,833</b> | <b>8,740</b>                | <b>13,604</b>                | <b>3,063</b>             | <b>706,235</b> | <b>862,475</b>    | <b>892,647</b>   |              |

| The Company   | Share capital | Treasury share | Reserves       |                             |                     |                   | Total reserves | Total equity   |
|---|---------------|----------------|----------------|-----------------------------|---------------------|-------------------|----------------|----------------|
|   |               |                | Share premium  | Share-based payment reserve | Contributed surplus | Retained earnings |                |                |
|   | HK\$'000      | HK\$'000       | HK\$'000       | HK\$'000                    | HK\$'000            | HK\$'000          | HK\$'000       | HK\$'000       |
| Balance at 1 April 2017                                   | 38,439        | (8,268)        | 130,791        | 10,342                      | 67,239              | 212,860           | 421,232        | 451,403        |
| Total comprehensive income for the period                 | -             | -              | -              | -                           | -                   | 246               | 246            | 246            |
| Dividends paid  | -             | -              | -              | -                           | -                   | (114,134)         | (114,134)      | (114,134)      |
| Issue of shares on exercise of share options              | 947           | -              | 18,963         | -                           | -                   | -                 | 18,963         | 19,910         |
| Transfer to share premium under exercise of share options | -             | -              | 9,135          | (9,135)                     | -                   | -                 | -              | -              |
| Issue of bonus shares                                     | 3,854         | (30)           | (3,824)        | -                           | -                   | -                 | (3,824)        | -              |
| Share-based compensation                                  | -             | -              | -              | 4,236                       | -                   | -                 | 4,236          | 4,236          |
| Changes in equity for the period                          | 4,801         | (30)           | 24,274         | (4,899)                     | -                   | (113,888)         | (94,513)       | (89,742)       |
| <b>Balance at 31 December 2017</b>                        | <b>43,240</b> | <b>(8,298)</b> | <b>155,065</b> | <b>5,443</b>                | <b>67,239</b>       | <b>98,972</b>     | <b>326,719</b> | <b>361,661</b> |
| Balance at 1 April 2016                                   | 38,014        | (1,980)        | 120,522        | 7,829                       | 67,239              | 189,544           | 385,134        | 421,168        |
| Total comprehensive income for the period                 | -             | -              | -              | -                           | -                   | (5,324)           | (5,324)        | (5,324)        |
| Dividends paid  | -             | -              | -              | -                           | -                   | (75,843)          | (75,843)       | (75,843)       |
| Issue of shares on exercise of share options              | 425           | -              | 6,394          | -                           | -                   | -                 | 6,394          | 6,819          |
| Transfer to share premium under exercise of share options | -             | -              | 3,917          | (3,917)                     | -                   | -                 | -              | -              |
| Share-based compensation                                  | -             | -              | -              | 4,903                       | -                   | -                 | 4,903          | 4,903          |
| Lapse of share options                                    | -             | -              | -              | (75)                        | -                   | 75                | -              | -              |
| Purchase of treasury shares                               | -             | (6,287)        | -              | -                           | -                   | -                 | -              | (6,287)        |
| Changes in equity for the period                          | 425           | (6,287)        | 10,311         | 911                         | -                   | (81,092)          | (69,870)       | (75,732)       |
| <b>Balance at 31 December 2016</b>                        | <b>38,439</b> | <b>(8,267)</b> | <b>130,833</b> | <b>8,740</b>                | <b>67,239</b>       | <b>108,452</b>    | <b>315,264</b> | <b>345,436</b> |

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.**

### SHARE CAPITAL

As at 31 December 2017, the number of ordinary shares in issue was 432,397,617 of which 3,343,780 were held by the Company as treasury shares. The share capital was HK\$43.2 million.

As at 31 March 2017, the number of ordinary shares in issue was 384,388,750 of which 3,039,800 were held by the Company as treasury shares. The share capital was HK\$38.4 million.

### SHARE OPTIONS

As at 31 December 2017, the Company has the following outstanding share options:

| Employee Share Option Scheme   | Exercise Price (Note 3) | Balance as at 31.3.2017 | Additions | Adjustment for bonus issues (Note 3) | Share options exercised | Balance as at 31.12.2017 |
|--------------------------------|-------------------------|-------------------------|-----------|--------------------------------------|-------------------------|--------------------------|
| (a) Incentive Options (Note 1) | S\$0.369                | 3,700,000               | -         | 277,500                              | (3,977,500)             | -                        |
|                                | S\$0.268                | 6,300,000               | -         | 630,000                              | (3,162,500)             | 3,767,500                |
|                                | S\$0.379                | 3,450,000               | -         | 345,000                              | -                       | 3,795,000                |
|                                | S\$0.701                | -                       | 3,245,000 | -                                    | -                       | 3,245,000                |
| (b) Market Options (Note 2)    | S\$0.474                | 2,175,000               | -         | 217,500                              | (2,337,500)             | 55,000                   |
| Total                          |                         | 15,625,000              | 3,245,000 | 1,470,000                            | (9,477,500)             | 10,862,500               |

As at 31 December 2016, the Company has the following outstanding share options:

| Employee Share Option Scheme   | Exercise Price | Balance as at 31.3.2016 | Additions | Share options exercised | Lapsed    | Balance as at 31.12.2016 |
|--------------------------------|----------------|-------------------------|-----------|-------------------------|-----------|--------------------------|
| (a) Incentive Options (Note 1) | S\$0.162       | 2,200,000               | -         | (2,200,000)             | -         | -                        |
|                                | S\$0.406       | 5,850,000               | -         | (2,050,000)             | (50,000)  | 3,750,000                |
|                                | S\$0.295       | 6,500,000               | -         | -                       | (50,000)  | 6,450,000                |
|                                | S\$0.417       | -                       | 3,575,000 | -                       | -         | 3,575,000                |
| (b) Market Options (Note 2)    | S\$0.521       | -                       | 2,225,000 | -                       | -         | 2,225,000                |
| Total                          |                | 14,550,000              | 5,800,000 | (4,250,000)             | (100,000) | 16,000,000               |

### 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.
- (3) Following the completion of the 1-for-10 bonus issue on 5 June 2017, the number of outstanding share options held by each holder would be adjusted upward by 10% and their respective exercise prices would be adjusted downward by 10% as a result.

## PERFORMANCE SHARE PLAN

The Company has no outstanding performance shares as at 31 December 2017 and 31 March 2017.

**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 was 432,397,617 and 384,388,750 as at 31 December 2017 and 31 March 2017 respectively.

Total number of treasury shares was 3,343,780 and 3,039,800 as at 31 December 2017 and 31 March 2017 respectively.

Total number of issued shares (excluding treasury shares) was 429,053,837 and 381,348,950 as at 31 December 2017 and 31 March 2017 respectively.

**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 period 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 2017. The adoption of the new and revised IFRSs, which are effective for the financial period beginning on 1 April 2017, 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.

**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.**

Not applicable

**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                       |   |  |
|--|---------------------------------|---|--|
|  | 9 months ended 31 December 2017 | 9 months ended 31 December 2016 (as restated) | 9 months ended 31 December 2016 (as previously reported) |
| Earnings per ordinary share based on the net profit for the period                       |                                 |   |  |
| (a) Based on weighted average number of ordinary shares on issue; and                    | HK 37.2 cents                   | HK 26.4 cents                                 | HK 29.1 cents  |
| (b) On a fully diluted basis   | HK 36.8 cents                   | HK 26.2 cents                                 | HK 28.9 cents  |
| Number of ordinary shares in issue (excluding treasury shares)                           |                                 |   |  |
| Weighted average number of ordinary shares for the purpose of basic earnings per share   | 424,388,839                     | 418,437,223                                   | 380,397,475  |
| Effect of potentially dilutive ordinary shares – Share options                           | 4,351,410                       | 2,780,562                                     | 2,527,784  |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | 428,740,249                     | 421,217,785                                   | 382,925,259  |

**Note:** The calculations of earnings per ordinary share for the period ended 31 December 2016 are adjusted retrospectively following the completion of the 1-for-10 bonus issue on 5 June 2017.

**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 |                             |  |
|--|-------------|-----------------------------|--|-------------|-----------------------------|--|
|  | 31.12.2017  | 31.03.2017<br>(as restated) | 31.03.2017<br>(as previously reported) | 31.12.2017  | 31.03.2017<br>(as restated) | 31.03.2017<br>(as previously reported) |
|  | HK dollar   | HK dollar                   | HK dollar                              | HK dollar   | HK dollar                   | HK dollar                              |
| Net asset value per ordinary share based on issued share capital excluding treasury shares at the end of the period: | 2.4         | 2.2                         | 2.5                                    | 0.8         | 1.1                         | 1.2                                    |
| Number of ordinary shares in issue excluding treasury shares   | 429,053,837 | 419,483,845                 | 381,348,950                            | 429,053,837 | 419,483,845                 | 381,348,950                            |

**Note:** The calculations of net asset value per ordinary share for the period ended 31 March 2017 are adjusted retrospectively following the completion of the 1-for-10 bonus issue on 5 June 2017.

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 – 3 months ended 31 December 2017 ("Q3 FY2018") vs 3 months ended 31 December 2016 ("Q3 FY2017")**

##### **Revenue**

Revenue increased by 34.2% or HK\$200.7 million from HK\$587.6 million in Q3 FY2017 to HK\$788.3 million in Q3 FY2018.

Industrial and Commercial Electronics revenue increased by 22.3% to HK\$387.2 million (Q3 FY2017: HK\$316.7 million). Such increase was mainly contributed by the increase in demand from some of our Industrial and Commercial Electronics customers.

Consumer Electronics revenue increased by 48.1% to HK\$401.1 million (Q3 FY2017: HK\$270.9 million), which was mainly due to the increase in demand of consumer lifestyle products, and smart LED lighting products with Internet of Things ("IOT") features.

##### **Gross profit and gross profit margin**

Gross profit increased by 24.9% to HK\$113.7 million (Q3 FY2017: HK\$91.0 million), while gross profit margin decreased to 14.4% (Q3 FY2017: 15.5%) as the results of change in product sales mix during the period with higher revenue contribution from Consumer Electronics segment.

##### **Other income**

Other income increased to HK\$5.2 million. Such increase was mainly due to the increase in net exchange gains.

##### **Selling and distribution expenses**

Selling and distribution expenses increased by 48.7% to HK\$12.1 million. Such increase was mainly due to the increase in revenue.

##### **Administrative expenses**

Administrative expenses increased by 10.8% to HK\$39.6 million. Such increase was mainly due to the increase in staff cost.

##### **Profit for the period**

As a result of the above, the net profit for the period increased by 35.7% to HK\$58.2 million. (Q3 FY2017: HK\$42.9 million).

**Review – 9 months ended 31 December 2017 (“9 months FY2018”) vs 9 months ended 31 December 2016 (“9 months FY2017”)****Revenue**

Revenue increased by 34.8% or HK\$570.9 million from HK\$1,638.8 million in 9 months FY2017 to HK\$2,209.7 million in 9 months FY2018.

Industrial and Commercial Electronics revenue increased by 18.0% to HK\$1,111.7 million (9 months FY2017: HK\$941.8 million), which was mainly due to the increase in demand from some of our Industrial and Commercial customers.

Consumer Electronics revenue increased by 57.5% to HK\$1,098.0 million (9 months FY2017: HK\$697.0 million), which was mainly due to the increase in demand of consumer lifestyle products, and smart LED lighting products with Internet of Things (“IOT”) features.

**Gross profit and gross profit margin**

Gross profit increased by 28.6% to HK\$322.9 million (9 months FY2017: HK\$251.2 million), while gross profit margin decreased to 14.6% (9 months FY2017: 15.3%) as the results of change in product sales mix during the period.

**Other income**

Other income increased by 31.2% to HK\$9.9 million. Such increase was mainly due to the increase in interest income and net exchange gains.

**Selling and distribution expenses**

Selling and distribution expenses increased by 31.6% to HK\$30.4 million (9 months FY2017: HK\$23.1 million). Such increase was mainly due to the increase in revenue.

**Administrative expenses**

Administrative expenses increased by 11.7% to HK\$121.7 million. Such increase was mainly due to the increase in staff cost.

**Profit for the period**

As a result of the above, the net profit for the period increased by 42.7% to HK\$157.7 million (9 months FY2017: HK\$110.5).

**Financial position and cash flows**

As at 31 December 2017, the Group had net current assets of HK\$733.6 million (31 March 2017: HK\$734.0 million), total assets of HK\$2,132.3 million (31 March 2017: HK\$1,823.0 million) and shareholders' funds of HK\$1,010.5 million (31 March 2017: HK\$938.6 million).

The Group's trade receivables increased by HK\$210.1 million from HK\$486.3 million as at 31 March 2017 to HK\$696.4 million as at 31 December 2017. The Group's trade payables increased by HK\$159.8 million from HK\$484.7 million as at 31 March 2017 to HK\$644.5 million as at 31 December 2017. The Group's inventories increased by HK\$156.5 million from HK\$291.9 million as at 31 March 2017 to HK\$448.4 million as at 31 December 2017.

The working capital of the Group as at 31 December 2017, which is the sum of trade receivables and inventories less trade payables, was HK\$500.3 million (31 March 2017: HK\$293.5 million). The increase in net working capital, reflecting the movement in trade receivables, inventories and trade payables, was in line with the revenue growth during the period.

The Group had no bank borrowings as at 31 December 2017 (31 March 2017: Nil).

As at 31 December 2017, the Group had cash and bank deposits of HK\$640.4 million (31 March 2017: HK\$752.9 million) following the distribution of cash dividend of HK\$114.1M during the period. Over 94% of its cash and cash equivalents were placed in reputable financial institutions in Hong Kong. The remaining balance of the cash and bank deposits, mainly in PRC, were placed in reputable financial institutions. The cash and bank deposits are annually audited by the Group's auditors, PricewaterhouseCoopers.

**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.**

Valuetronics delivered another set of record results in Q3 FY2018 with strong revenue growth across all segment.

Strong performance in CE segment was driven by consumer lifestyle products and smart LED lighting products with IOT features. Our smart LED lighting customer continues to bring in new features and enhancements to their app and ecosystem, to further strengthen their market penetration which may in turn provide further opportunities for us.

ICE segment continued the double digit growth with strong performance in printers, and connectivity modules used in automotive industry. Printer sales growth came from existing customers as well as a new customer providing barcode and transaction printing solution across a broad range of industries. During the period, the Group's key automotive customer completed its corporate restructure and now becomes a technology company that focus on active safety, autonomous driving, enhanced user experiences and connected services. The Group will further pursue opportunities in the future of mobility by providing vertical integrated services with our design and development capabilities.

As a manufacturer, we are operating in a dynamic macro-economic environment. The Group still sees supply chain challenges, such as raw material price fluctuations and extended procurement lead times. The Group will continue to navigate the dynamic macro-environment by sticking to its fundamentals and keeping in close touch with customers.

Barring unforeseen circumstances, the directors expect the Group to achieve profit growth for the financial year ending 31 March 2018.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared / recommended for Q3 FY2018.

**13. 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.

**14. Confirmation By the Company Pursuant to Rule 720(1) of the Listing Rules of Singapore Exchange Securities Trading Limited**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the Listing Rules of the SGX-ST.

**15. Confirmation By Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST**

We, Tse Chong Hing and Chow Kok Kit, being two of the Directors of Valuetronics Holdings Limited (the "Company"), confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 31 December 2017 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of  
Valuetronics Holdings Limited

**Tse Chong Hing**  
*Chairman and Managing Director*  
9 February 2018

**Chow Kok Kit**  
*Executive Director*