

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS****Issuer & Securities****Issuer/ Manager**

VALUETRONICS HOLDINGS LIMITED

**Securities**

VALUETRONICS HOLDINGS LIMITED - BMG9316Y1084 - BN2

**Stapled Security**

No

**Announcement Details****Announcement Title**

Financial Statements and Related Announcement

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**Announcement Reference**

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**Submitted By (Co./ Ind. Name)**

Tse Chong Hing

**Designation**

Chairman and Managing Director

**Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)**

Please see attached:

Full Year Financial Statements and Dividend Announcement for the Year Ended 31 March 2021.

**Additional Details****For Financial Period Ended**

31/03/2021

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## Attachments

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[VHL-Results FY2021.pdf](#)

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Total size =256K MB

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**VALUETRONICS HOLDINGS LIMITED**

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

**FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021****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 year ended 31 March 2021**

	The Group		
	Year ended 31 March		
	2021	2020	Change
	HK\$'000	HK\$'000	%
Revenue	2,281,523	2,354,442	-3.1
Cost of sales	(1,895,298)	(1,991,660)	-4.8
<b>Gross profit</b>	<b>386,225</b>	<b>362,782</b>	<b>6.5</b>
Selling and distribution expenses	(31,992)	(26,346)	21.4
Administrative expenses	(163,291)	(164,118)	-0.5
Other income and gains, net	18,424	24,682	-25.4
<b>Operating profit</b>	<b>209,366</b>	<b>197,000</b>	<b>6.3</b>
Finance costs	(692)	(764)	-9.4
<b>Profit before income tax</b>	<b>208,674</b>	<b>196,236</b>	<b>6.3</b>
Income tax expense	(21,561)	(17,294)	24.7
<b>Profit for the year</b>	<b>187,113</b>	<b>178,942</b>	<b>4.6</b>
<b>Attributable to:</b>			
Owners of the Company	187,113	178,942	4.6

## Consolidated Statement of Comprehensive Income for the year ended 31 March 2021

	The Group		
	Year ended 31 March		
	2021	2020	Change
	HK\$'000	HK\$'000	%
<b>Profit for the year</b>	<b>187,113</b>	<b>178,942</b>	<b>4.6</b>
<b>Other comprehensive income/(loss), net of tax</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Currency translation differences*	4,999	(1,708)	NM
<b>Total comprehensive income for the year</b>	<b>192,112</b>	<b>177,234</b>	<b>8.4</b>
<b>Attributable to:</b>			
Owners of the Company	192,112	177,234	8.4

\* Representing exchange differences on translating the Group's subsidiaries in the PRC and Vietnam.

**Note:**

NM: Not meaningful

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

	The Group	
	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
Depreciation on property, plant and equipment	54,118	51,193
Amortisation on right-of-use assets	3,552	2,678
Interest elements of lease payments	81	141
Loss on disposals of property, plant and equipment	1,598	387
Interest income	(5,735)	(20,336)
Bank charges	611	623
Net exchange gains	(4,176)	(141)
Reversal of impairment loss recognised in respect of flash floods that occurred on 17 September 2018 at the Danshui Plant	(1,634)	-

**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 2021**

	The Group		The Company	
	At 31.3.2021	At 31.3.2020	At 31.3.2021	At 31.3.2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	288,137	201,102	-	-
Right-of-use assets	49,789	51,248	-	-
Interests in subsidiaries	-	-	83,330	83,330
Financial assets at fair value	24,000	21,800	-	-
Others*	14,940	63,537	-	-
<b>Total non-current assets</b>	<b>376,866</b>	<b>337,687</b>	<b>83,330</b>	<b>83,330</b>
<b>Current assets</b>				
Inventories	214,080	227,927	-	-
Trade receivables	490,509	326,388	-	-
Other receivables and prepayments	30,696	29,734	268	361
Due from subsidiaries	-	-	434,524	421,972
Financial assets at fair value	-	38,630	-	-
Cash and cash equivalents	1,129,446	1,053,096	1,641	551
<b>Total current assets</b>	<b>1,864,731</b>	<b>1,675,775</b>	<b>436,433</b>	<b>422,884</b>
<b>Total assets</b>	<b>2,241,597</b>	<b>2,013,462</b>	<b>519,763</b>	<b>506,214</b>
<b>EQUITY</b>				
Share capital	43,563	43,563	43,563	43,563
Treasury shares	(18)	(2,272)	(18)	(2,272)
Reserves	1,303,548	1,190,311	475,761	464,494
<b>Total equity</b>	<b>1,347,093</b>	<b>1,231,602</b>	<b>519,306</b>	<b>505,785</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Lease liabilities	-	1,010	-	-
Deferred income tax liabilities	5,074	7,518	-	-
<b>Total non-current liabilities</b>	<b>5,074</b>	<b>8,528</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade payables	365,181	291,234	-	-
Other payables and accruals	446,212	394,576	457	429
Contract liabilities	24,191	41,847	-	-
Lease liabilities	-	1,292	-	-
Current income tax liabilities	53,846	44,383	-	-
<b>Total current liabilities</b>	<b>889,430</b>	<b>773,332</b>	<b>457</b>	<b>429</b>
<b>Total liabilities</b>	<b>894,504</b>	<b>781,860</b>	<b>457</b>	<b>429</b>
<b>Total equity and liabilities</b>	<b>2,241,597</b>	<b>2,013,462</b>	<b>519,763</b>	<b>506,214</b>
<b>Net current assets</b>	<b>975,301</b>	<b>902,443</b>	<b>435,976</b>	<b>422,455</b>
<b>Total assets less current liabilities</b>	<b>1,352,167</b>	<b>1,240,130</b>	<b>519,306</b>	<b>505,785</b>

\* The decrease mainly represented prepayment for property, plant and equipment ("PPE"), which is installed and capitalised as PPE during the year.

**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 2021		As at 31 March 2020	
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 2021		As at 31 March 2020	
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 2021**

	The Group	
	Year ended 31 March	
	2021	2020
	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	208,674	196,236
Adjustments for :		
Amortisation on right-of-use assets	3,552	2,678
Depreciation on property, plant and equipment	54,118	51,193
Loss on disposals of property, plant and equipment	1,598	387
Share-based compensation	4,149	4,371
Interest income, net	(5,654)	(20,195)
	<b>266,437</b>	<b>234,670</b>
Changes in working capital:		
Inventories	13,847	74,119
Trade receivables	(164,121)	110,444
Other receivables and prepayments	3,604	551
Trade payables	73,947	(100,269)
Other payables and accruals and contract liabilities	33,980	26,726
<b>Net cash generated from operations</b>	<b>227,694</b>	<b>346,241</b>
Income tax paid	(14,542)	(18,278)
Interest elements of lease payments	(81)	(141)
<b>Net cash generated from operating activities</b>	<b>213,071</b>	<b>327,822</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(94,637)	(84,600)
Acquisition of right-of-use assets	(2,601)	(34,155)
Proceeds from disposals of property, plant and equipment	1,812	15
Redemption of financial assets at fair value	38,630	-
Net redemption of short-term bank deposits	-	155,000
Interest received	5,735	20,336
<b>Net cash (used in)/generated from investing activities</b>	<b>(51,061)</b>	<b>56,596</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(82,650)	(112,776)
Proceeds from exercise of share options	1,880	3,491
Principal elements of lease payments	(1,292)	(1,233)
<b>Net cash used in financing activities</b>	<b>(82,062)</b>	<b>(110,518)</b>
<b>Net increase in cash and cash equivalents</b>	<b>79,948</b>	<b>273,900</b>
Effect of foreign exchange rate changes	(3,598)	3,751
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,053,096</b>	<b>775,445</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,129,446</b>	<b>1,053,096</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 year ended 31 March 2021**

The Group	Attributable to the owners of the Company								
	Reserves							Total reserves	Total equity
	Share capital	Treasury share	Share premium	Share-based payment reserve	Currency translation reserve	Statutory reserve (Note)	Retained earnings		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 April 2020	43,563	(2,272)	163,918	9,116	14,747	4,818	997,712	1,190,311	1,231,602
Total comprehensive income for the year	-	-	-	-	4,999	-	187,113	192,112	192,112
Dividends paid	-	-	-	-	-	-	(82,650)	(82,650)	(82,650)
Exercise of share options	-	2,254	597	(971)	-	-	-	(374)	1,880
Share-based compensation	-	-	-	4,149	-	-	-	4,149	4,149
Forfeiture of share options	-	-	-	(40)	-	-	40	-	-
Transfer to statutory reserve	-	-	-	-	-	426	(426)	-	-
Changes in equity for the year	-	2,254	597	3,138	4,999	426	104,077	113,237	115,491
<b>Balance at 31 March 2021</b>	<b>43,563</b>	<b>(18)</b>	<b>164,515</b>	<b>12,254</b>	<b>19,746</b>	<b>5,244</b>	<b>1,101,789</b>	<b>1,303,548</b>	<b>1,347,093</b>
Balance at 1 April 2019	43,401	(2,272)	158,916	6,418	16,455	4,523	931,841	1,118,153	1,159,282
Total comprehensive income for the year	-	-	-	-	(1,708)	-	178,942	177,234	177,234
Dividends paid	-	-	-	-	-	-	(112,776)	(112,776)	(112,776)
Exercise of share options	162	-	5,002	(1,673)	-	-	-	3,329	3,491
Share-based compensation	-	-	-	4,371	-	-	-	4,371	4,371
Transfer to statutory reserve	-	-	-	-	-	295	(295)	-	-
Changes in equity for the year	162	-	5,002	2,698	(1,708)	295	65,871	72,158	72,320
<b>Balance at 31 March 2020</b>	<b>43,563</b>	<b>(2,272)</b>	<b>163,918</b>	<b>9,116</b>	<b>14,747</b>	<b>4,818</b>	<b>997,712</b>	<b>1,190,311</b>	<b>1,231,602</b>



The Company	Reserves							
	Share capital	Treasury share	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	HK\$'000
Balance at 1 April 2020	43,563	(2,272)	163,918	9,116	67,239	224,221	464,494	505,785
Total comprehensive income for the year	-	-	-	-	-	90,142	90,142	90,142
Dividends paid	-	-	-	-	-	(82,650)	(82,650)	(82,650)
Exercise of share options	-	2,254	597	(971)	-	-	(374)	1,880
Share-based compensation	-	-	-	4,149	-	-	4,149	4,149
Forfeiture of share options	-	-	-	(40)	-	40	-	-
Changes in equity for the year	-	2,254	597	3,138	-	7,532	11,267	13,521
<b>Balance at 31 March 2021</b>	<b>43,563</b>	<b>(18)</b>	<b>164,515</b>	<b>12,254</b>	<b>67,239</b>	<b>231,753</b>	<b>475,761</b>	<b>519,306</b>
Balance at 1 April 2019	43,401	(2,272)	158,916	6,418	67,239	221,701	454,274	495,403
Total comprehensive income for the year	-	-	-	-	-	115,296	115,296	115,296
Dividends paid	-	-	-	-	-	(112,776)	(112,776)	(112,776)
Exercise of share options	162	-	5,002	(1,673)	-	-	3,329	3,491
Share-based compensation	-	-	-	4,371	-	-	4,371	4,371
Changes in equity for the year	162	-	5,002	2,698	-	2,520	10,220	10,382
<b>Balance at 31 March 2020</b>	<b>43,563</b>	<b>(2,272)</b>	<b>163,918</b>	<b>9,116</b>	<b>67,239</b>	<b>224,221</b>	<b>464,494</b>	<b>505,785</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, subdivision, consolidation, share buy-backs, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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

There were no changes in the Company's issued share capital during the period 1 April 2020 to 31 March 2021.

As at 31 March 2021, the number of ordinary shares in issue was 435,630,837 of which 5,000 were held by the Company as treasury shares (equivalent to 0.001% of the total number of issued shares excluding treasury shares of 435,625,837). The share capital was \$43.6 million.

As at 31 March 2020, the number of ordinary shares in issue was 435,630,837 of which 630,000 were held by the Company as treasury shares (equivalent to 0.14% of the total number of issued shares excluding treasury shares of 435,000,837). The share capital was \$43.6 million.

There was no subsidiary holding as at 31 March 2021 and 2020.

#### SHARE OPTIONS

As at 31 March 2021, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2020	Additions	Forfeited	Share options exercised	Balance as at 31.12.2021
Incentive Options (Note)	S\$0.268*	27,500	-	-	-	27,500
	S\$0.379*	187,000	-	-	(55,000)	132,000
	S\$0.701	3,095,000	-	-	-	3,095,000
	S\$0.530	2,890,000	-	(75,000)	(570,000)	2,245,000
	S\$0.570	3,295,000	-	(100,000)	-	3,195,000
	S\$0.460	-	2,500,000	-	-	2,500,000
<b>Total</b>		<b>9,494,500</b>	<b>2,500,000</b>	<b>(175,000)</b>	<b>(625,000)</b>	<b>11,194,500</b>

As at 31 March 2020, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2019	Additions	Share options exercised	Balance as at 31.3.2020
Incentive Options (Note)	S\$0.268*	27,500	-	-	27,500
	S\$0.379*	1,809,500	-	(1,622,500)	187,000
	S\$0.701	3,095,000	-	-	3,095,000
	S\$0.530	2,890,000	-	-	2,890,000
	S\$0.570	-	3,295,000	-	3,295,000
<b>Total</b>		<b>7,822,000</b>	<b>3,295,000</b>	<b>(1,622,500)</b>	<b>9,494,500</b>

\* 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.

**Note:**

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.

**PERFORMANCE SHARE PLAN**

The Company has no outstanding performance shares as at 31 March 2021 and 2020.

**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 435,630,837 as at 31 March 2021 and 2020.

Total number of treasury shares was 5,000 and 630,000 as at 31 March 2021 and 2020 respectively.

Total number of issued shares (excluding treasury shares) was 435,625,837 and 435,000,837 as at 31 March 2021 and 2020 respectively.

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

The company used 625,000 treasury shares during the current financial period towards the issuance of 625,000 shares on exercise of share options.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and 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(a) Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.

**3(b) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

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 2020. The adoption of the new and amended IFRSs, which are effective for the financial period beginning on 1 April 2020, 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	
	Year ended 31 March 2021	Year ended 31 March 2020
Earnings per ordinary share based on the net profit for the year		
(a) Based on weighted average number of ordinary shares on issue; and	HK 43.0 cents	HK 41.2 cents
(b) On a fully diluted basis	HK 43.0 cents	HK 41.2 cents
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	435,048,782	434,375,776
Effect of potentially dilutive ordinary shares – Share options	162,746	233,117
Weighted average number of ordinary shares for the purpose of diluted earnings per share	435,211,528	434,608,893

**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	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	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:	3.1	2.8	1.2	1.2
Number of ordinary shares in issue excluding treasury shares	435,625,837	435,000,837	435,625,837	435,000,837

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" or "CE") and industrial and commercial electronics products ("Industrial and Commercial Electronics" or "ICE").

#### **Review – Full year results ended 31 March 2021 ("FY2021") vs Full year results ended 31 March 2020 ("FY2020")**

##### **Revenue**

Despite the uncertainties presented during the pandemic, the Group reported relatively stable revenue and profits for the financial year ended 31 March 2021 ("FY2021") as compared to the financial year ended 31 March 2020 ("FY2020"), largely due to an unexpected rebound in customer demand in the second half of FY2021.

Revenue decreased by 3.1% or HK\$72.9 million from HK\$2,354.4 million in FY2020 to HK\$2,281.5 million in FY2021. Consumer Electronics revenue decreased by 25.7% to HK\$680.7 million (FY2020: HK\$916.0 million); while Industrial and Commercial Electronics revenue increased by 11.3% to HK\$1,600.8 million (FY2020: HK\$1,438.4 million).

The significant drop in Consumer Electronics revenue was due to a key customer experiencing weak demand as a direct result of reduced activity caused by social distancing and COVID-19 containment measures, and its production switch-over from the Group's China factory to another vendor in an ASEAN country as scheduled.

On the Industrial and Commercial Electronics segment front, the surge in demands in logistic industry and e-commerce benefited several key customers during the pandemic lockdown. The prolonged pandemic also caused a delay in the schedule of a customer in the auto industry in its production switch-over from the Group's China factory to another vendor in North America, which led to continued orders from that customer during FY2021.

All in all, the revenue growth in the Industrial and Commercial Electronics segment partially offset the revenue decline in Consumer Electronics segment, resulting in relatively stable revenue and profits for FY2021 as compared to FY2020.

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

Gross profit increased by 6.5% to HK\$386.2 million (FY2020: HK\$362.8 million), while gross profit margin increased to 16.9% (FY2020: 15.4%) as the results of change in product sales mix during the year.

**Other income**

Other income decreased by 25.4% to HK\$18.4 million. Such decrease was mainly due to the decrease in interest income, offset by the increase in net exchange gains.

**Selling and distribution expenses**

Selling and distribution expenses increased by 21.4% to HK\$32.0 million (FY2020: HK\$26.3 million), such increase was mainly due to the increase of product warranty expenses.

**Administrative expenses**

Administrative expenses slightly decreased by 0.5% to HK\$163.3 million (FY2020: HK\$164.1 million).

**Profit for the year**

As a result of the above, profit for the year increased by 4.6% to HK\$187.1 million (FY2020: HK\$178.9 million).

**Financial position and cash flows**

As at 31 March 2021, the Group had net current assets of HK\$975.3 million (31 March 2020: HK\$902.4 million), total assets of HK\$2,241.6 million (31 March 2020: HK\$2,013.5 million) and shareholders' funds of HK\$1,347.1 million (31 March 2020: HK\$1,231.6 million).

The Group's trade receivables increased by HK\$164.1 million from HK\$326.4 million as at 31 March 2020 to HK\$490.5 million as at 31 March 2021. The Group's trade payables increased by HK\$74.0 million from HK\$291.2 million as at 31 March 2020 to HK\$365.2 million as at 31 March 2021. The Group's inventories decreased by HK\$13.8 million from HK\$227.9 million as at 31 March 2020 to HK\$214.1 million as at 31 March 2021.

The working capital of the Group as at 31 March 2021, which is the sum of trade receivables and inventories less trade payables, was HK\$339.4 million (31 March 2020: HK\$263.1 million). The increase in net working capital, reflecting the movement in trade receivables, inventories and trade payables, was mainly due to increased business activities in the fourth quarter of FY2021 as compared to the fourth quarter of FY2020.

The Group had no bank borrowings as at 31 March 2021 (31 March 2020: Nil).

As at 31 March 2021, the Group had cash and cash equivalents of HK\$1,129.4 million (31 March 2020: HK\$1,053.1 million). Over 98% of its cash and cash equivalents were parked in reputable financial institutions in Hong Kong and Singapore. The remaining balance of the cash and cash equivalents, mainly in the PRC and Vietnam, were parked in reputable financial institutions. The cash and cash equivalents are 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.**

The COVID-19 pandemic continues with no signs of slowing down, with second and third wave infections occurring in many countries. This constantly evolving situation has caused business disruptions in the global economy. The Group expects the operating environment to continue to remain challenging in the financial year ended 31 March 2022 ("FY2022").

The pandemic has caused a delay in the schedule of the Group's customer in the auto industry to switch-over its production from the Group's China factory to another vendor in North America. This has led to continued orders from that customer in the financial year ended 31 March 2021 ("FY2021"), but this situation will not be repeated for FY2022 as the switch-over has been substantially completed by the last quarter of FY2021.

The Group like many manufacturers is facing a global components shortage issue. Despite clear customer demand, the global components shortage may affect the Group's ability to meet orders. The Group is working closely with its customers and suppliers to deal with such issues as they arise. The higher component prices owing to tight supply, together with a stronger Renminbi, may lead to a decline in the Group's profit margin. The Group is employing various measures to attempt to mitigate these adverse impacts, including diversifying its sources of supply and negotiating new prices with customers.

The Group's Vietnam campus remained on track to the target commencement of mass production by the last quarter of FY2022. However, the Vietnamese government has recently in May tightened quarantine rules and social distancing measures in response to the rising COVID-19 cases in the country. Unless the situation in Vietnam continues to deteriorate, the Group does not expect significant impact on the above target production commencement date. On completion of the Vietnam campus, along with the Group's existing leased factory in Vietnam, the Group will be fully equipped to accommodate customers' request to shift production from its China factory to Vietnam in response to Sino-US trade tensions, and to seize new opportunities emerging with the Group's extended geographic footprint.

Given these uncertainties and volatility, including supply chain issues, and a loss of orders resulted from customers switching their supply chain to other countries because of Sino-US trade tensions, the Group's financial results for FY2022 are expected to be significantly lower compared to FY2021.

**11. Dividend****(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in HK cents)	HK 5 cents per ordinary share	HK 16 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	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in HK cents)	HK 6 cents per ordinary share	HK 14 cents per ordinary share
Tax Rate	Not applicable	Not applicable

**(c) The date the dividend is payable**

To be announced later.

**(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

To be announced later.

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

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 two reportable segments as follows:

Consumer – consumer electronics

Industrial – industrial and commercial electronics

Year ended 31 March 2021	Consumer	Industrial	Total
	HK\$'000	HK\$'000	HK\$'000
Segment revenue	680,731	1,600,792	2,281,523
Segment profit	72,202	285,521	357,723
Unallocated corporate expenses			(170,610)
Profit for the year			187,113

Year ended 31 March 2020	Consumer	Industrial	Total
	HK\$'000	HK\$'000	HK\$'000
Segment revenue	916,084	1,438,358	2,354,442
Segment profit	97,151	250,076	347,227
Unallocated corporate expenses			(168,285)
Profit for the year			178,942

**(b) Geographical segments**

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

	Year ended 31 March 2021	Year ended 31 March 2020
	HK\$'000	HK\$'000
United States of America	934,382	928,282
People's Republic of China	606,465	650,334
Poland	129,060	170,578
Hong Kong	117,417	94,334
Indonesia	113,361	164,053
Netherlands	91,711	83,937
Germany	55,234	17,050
South Korea	37,459	35,711
France	24,205	40,303
Other countries	172,229	169,860
Total	2,281,523	2,354,442

- 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 2021 HK\$'000	Year ended 31 March 2020 HK\$'000	Change %
(a) Sales from operations reported for first half year	1,094,917	1,367,101	-19.9
(b) Operating profit after tax reported for first half year	91,492	104,094	-12.1
(c) Sales from operations reported for second half year	1,186,606	987,341	20.2
(d) Operating profit after tax reported for second half year	95,621	74,848	27.8

**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 2021	Year ended 31 March 2020
	HK\$'000	HK\$'000
<b>Ordinary</b>	91,450	87,000
<b>Preference</b>	N/A	N/A
<b>Total:</b>	91,450	87,000

**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.

**19. 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.

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

**Tse Chong Hing**  
*Chairman and Managing Director*  
29 May 2021

**Chow Kok Kit**  
*Executive Director*