

**Financial Statements and Related Announcement::Full Yearly Results****Issuer & 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>	25-May-2018 23:39:36
<b>Status</b>	New
<b>Announcement Sub Title</b>	Full Yearly Results
<b>Announcement Reference</b>	SG180525OTHRCDMS
<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.  MEDIA RELEASE - VALUETRONICS' FY2018 NET PROFIT UP 32.9% TO HK\$204.7 MILLION WITH 35.0% INCREASE IN FULL YEAR DIVIDENDS

**Additional Details**

<b>For Financial Period Ended</b>	31/03/2018
<b>Attachments</b>	<a href="#">VHL- FY2018 Results-Media Release.pdf</a> Total size =99K


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## Media Release

# Valuetronics' FY2018 net profit up 32.9% to HK\$204.7 million with 35.0% increase in full year dividends<sup>1</sup>

- Consumer Electronics (“CE”) revenue increased by 41.6% to HK\$1,398.1 million
- Industrial and Commercial Electronics (“ICE”) revenue increased by 13.0% to HK\$1,455.6 million
- Proposes a Final Dividend of 15 HK cents per share and a Special Dividend of 5 HK cents per share. Together with the Interim Dividend of 7 HK cents per share paid in December 2017, aggregate dividend for FY2018<sup>1</sup> will reach 27 HK cents per share, a 35.0% increase as compared to FY2017 (20 HK cents per share).

**Singapore, 25 May 2018** – SGX Mainboard listed Valuetronics Holdings Limited (“Valuetronics”, “鸿通电子控股有限公司” or collectively with its subsidiaries, the “Group”), a premier design and manufacturing partner for the world’s leading brands in the Consumer Electronics (“CE”) and Industrial and Commercial Electronics (“ICE”) sectors today announced that its net profit for the financial year ended 31 March 2018 (“FY2018”) has grown by 32.9% to HK\$204.7 million from HK\$154.1 million for the financial year ended 31 March 2017 (“FY2017”).

Mr Ricky Tse Chong Hing (“谢创兴”), Chairman and Managing Director of Valuetronics commented: ***“We posted a creditable set of results for FY2018 on the back of good growth from both consumer electronics and industrial and commercial electronics segments. Our customers made up of brand leaders in their respective industries, and we will continue to***

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<sup>1</sup> Subject to shareholders’ approval at the upcoming Annual General Meeting

*identify and cultivate new customers in the ICE segment in order to further boost our long term growth and customer diversification.”*

## Dividend

The Board is recommending a Final Dividend of 15 HK cents per share and a Special Dividend of 5 HK cents per share for FY2018, both of which are subject to shareholders’ approval at the Annual General Meeting to be convened. Prior to this, the Company has also paid an Interim Dividend of 7 HK cents per share in December 2017. In aggregate, the Interim, Final and Special dividends amount to 27 HK cents per share (FY2007: 20 HK cents per share), approximately 56.6% of the net profit attributable to shareholders for FY2018.

## Financial Highlights

HK\$'M	Year ended 31 March		
	2018	2017	% Change
Revenue	2,853.7	2,274.9	25.4%
Gross Profit	414.6	341.7	21.3%
Gross Profit Margin	14.5%	15.0%	- 0.5pt
<b>Net Profit attributable to owners of the Company</b>	<b>204.7</b>	<b>154.1</b>	<b>32.9%</b>

The Group’s revenue increased by 25.4% from HK\$2,274.9 million in FY2017 to HK\$2,853.7 million in FY2018. Gross profit also correspondingly increased by 21.3% to HK\$414.6 million in FY2018 from HK\$341.7 million in FY2017, with a slight 0.5 percentage point decrease in gross profit margin to 14.5% for FY2018 due to a change in sales mix.

Segmental Revenue			
HK\$'M	FY2018	FY2017	% Change
Consumer Electronics (“CE”)	1,398.1	987.1	41.6%
Industrial & Commercial Electronics (“ICE”)	1,455.6	1,287.8	13.0%
<b>Total</b>	<b>2,853.7</b>	<b>2,274.9</b>	<b>25.4%</b>

Revenue from the CE segment increased by 41.6% from HK\$987.1 million in FY2017 to HK\$1,398.1 million in FY2018, mainly due to the growth in consumer lifestyle products and smart LED lighting products with Internet of Things (“IOT”) features.

Revenue from the ICE segment also increased by 13.0% from HK\$1,287.8 million in FY2017 to HK\$1,455.6 in FY2018, mainly due to the increase in demand from some of the ICE customers.

The Group’s other income increased by 11.9% to HK\$15.2 million mainly due to the increase in interest income and net exchange gains. With the increase in revenue, selling and distribution costs also rose by 21.2% to HK\$37.9 million in FY2018. Administrative expenses on the other hand, increased by 7.4% from HK\$150.4 million in FY2017 to HK\$161.5 million in FY2018, mainly due to the increase in staff cost.

As a result of the abovementioned, net profit in FY2018 for the Group increased by 32.9% to HK\$204.7 million from HK\$154.1 million in FY2017. The Group’s net profit for FY2018 translates into an earnings per share of approximately HK48.1 cents for FY2018 as compared to HK36.8 cents for FY2017.<sup>2</sup>

### **Maintains Healthy Financial Position**

As at 31 March 2018, the Group maintains a stable and healthy financial position with a net asset value per share (excluding treasury shares) of HK\$2.5 (31 March 2017: HK\$2.2)<sup>3</sup>. The Group has net current assets of HK\$774.9 million (31 March 2017: HK\$734.0 million) and total assets of HK\$1,968.8 million (31 March 2017: HK\$1,823.0 million). In addition, the Group continues to have no bank borrowings as at 31 March 2018 and strong operating cash flows, as shown in its cash and bank deposits of HK\$671.1.

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<sup>2</sup> Basic earnings per share calculated based on a weighted average number of ordinary shares in issue (excluding treasury shares) of 425,539,112 shares for FY2018 and 418,695,294 shares for FY2017 (as adjusted)

<sup>3</sup> NAV per share calculated on the basis of 429,053,837 shares as at 31 March 2018 and 419,483,845 shares as at 31 March 2017 after adjusting retrospectively following the completion of the 1-for-10 bonus issue on 5 June 2017.

## **Business Outlook**

Valuetronics' record breaking results for FY2018 was driven by its operational excellence and strong demand from both its CE and ICE customers.

The strong performance in the CE segment in FY2018 was driven by consumer lifestyle products and smart LED lighting products with IOT features. The Group remains optimistic on the growth prospects of consumer lifestyle products as their customers continue to launch new series of innovative products and increase their penetration in new markets including China.

Meanwhile, the Group is conservative on the smart LED lighting products as their customer has signalled in their recent first quarter financial results disclosure which had lower sales allowing for inventory reductions at their trade partners, which will inevitably impact the Group's sales in FY2019. However, in the same disclosure, the customer also indicated their confidence in the long-term growth of smart LED lighting products and expects sales to normalise in the second half of calendar year 2018, which corresponds to the second and third quarter of the Group's financial year ended 31 March 2019 ("FY2019").

In the ICE segment, the Group saw strong performance in printers, and connectivity modules used in automotive industry in FY2018. Automotive products are expected to remain as the primary driver for ICE growth with increasing demands for in-car connectivity. In FY2018 the Group's key automotive customer completed its corporate restructuring to become a technology company focusing 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 its design and development capabilities.

Like most manufacturers with global sales, the Group is operating in an uncertain macro-economic environment caused by geo-political and trade tensions. At the same time, the Group

continues to see supply chain challenges, such as rising raw material prices and extended procurement lead times. The Group will continue to navigate this dynamic macro-environment by focusing on operational improvements and working proactively with its customers.

Barring unforeseen circumstances, the directors expect the Group to remain profitable in FY2019.

End.

**Note: This media release is to be read in conjunction with the announcement issued on SGXNET on the same date.**

#### **About Valuetronics Holdings Limited**

Valuetronics Holdings Limited was listed on the SGX Mainboard in 2007 and is currently a constituent stock on the FTSE ST Small Cap and FTSE ST China Indices. Valuetronics is an Electronic Manufacturing Service (“EMS”) provider which focuses on the design and development of products that meet the ever-changing needs of customers. It is the preferred choice of several successful global companies that are involved in consumer electronics and 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. Valuetronics’ EMS business is classified into two reportable segments namely consumer electronics products and industrial and commercial electronics products. Headquartered in Hong Kong, the Group’s main manufacturing facility is located in Long Shan 2nd Road, Western District of Science and Technology Park, Dayawan Economy and Technology Development District, Huizhou City, Guangdong Province, PRC.

For more information, please visit <http://www.valuetronics.com.hk>

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