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First Quarter * Financial Statement And Dividend Announcement

* Asterisks denote mandatory information

Name of Announcer *	VALUETRONICS HOLDINGS LIMITED
Company Registration No.	38813
Announcement submitted on behalf of	VALUETRONICS HOLDINGS LIMITED
Announcement is submitted with respect to *	VALUETRONICS HOLDINGS LIMITED
Announcement is submitted by *	Tse Chong Hing
Designation *	Chairman & Managing Director
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2009
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Attachments

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VALUETRONICS HOLDINGS LIMITED

(Incorporated in Bermuda)

(Co. Reg. No: 38813)

FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2009**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement (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 30 June 2009

	The Group		
	3 months ended 30 June		
	2009	2008	Change
	HK\$'000	HK\$'000	%
Revenue	218,626	235,121	-7.0%
Cost of Sales	(182,658)	(189,910)	-3.8%
Gross Profit	35,968	45,211	-20.4%
Other income	1,089	251	333.9%
Selling and distribution costs	(7,662)	(5,013)	52.8%
Administrative expenses	(13,644)	(16,456)	-17.1%
Net other operating (loss)/gain	(9,516)	-	N.M.
Profit From Operations	6,235	23,993	-74%
Finance costs	(139)	(120)	15.8%
Profit Before Tax	6,096	23,873	-74.5%
Income tax expense	(695)	(2,865)	75.7%
Profit for the period	5,401	21,008	-74.3%
Attributable to:			
Shareholders of the Company	5,401	21,008	-74.3%
Minority interests	-	-	N.M.

Consolidated Statement of Comprehensive Income for the period ended 30 June 2009

	The Group		
	3 months ended 30 June		
	2009	2008	Change
	HK\$'000	HK\$'000	%
Profit for the period	5,401	21,008	-74.3%
Other comprehensive income:			
Net fair value changes of available-for-sale financial assets	643	-	N.M.
Other comprehensive income for the period, net of tax	643	-	N.M.
Total comprehensive income for the period	6,044	21,008	-71.2%
Total comprehensive income attributable to:			
Shareholders of the Company	6,044	21,008	-71.2%
Minority interests	-	-	N.M.

N.M: Not Meaningful

Note:

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

	The Group	
	3 months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Depreciation	5,708	3,546
Amortisation of prepaid land lease payments and land use rights	120	119
Loss/(Gain) on disposals of property, plant and equipment	16	-
Allowance for doubtful debts	9,516	-
Interest income	(278)	(860)
Interest expenses	-	-
Bank charges	139	120
Net exchange (gain)/loss	(504)	1,050

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

Consolidated Statement of Financial Position as at 30 June 2009

	The Group		The Company	
	At 30.6.2009	At 31.3.2009	At 30.6.2009	At 31.3.2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets				
Prepaid land lease payments and land use rights	24,445	24,565	-	-
Property, plant and equipment	159,501	160,068	-	-
Investments in subsidiaries	-	-	83,330	83,330
Club membership, at cost	200	200	-	-
Long term receivables	1,610	1,610	-	-
	185,756	186,443	83,330	83,330
Current assets				
Available-for-sale financial assets (Note 1)	18,057	13,539	-	-
Inventories	88,265	67,074	-	-
Trade receivables	166,050	102,419	-	-
Prepaid land lease payments and land use rights	545	545	-	-
Prepayments, deposits and other receivables	13,975	10,200	-	-
Long term receivables – current portion	1,150	1,150	-	-
Due from subsidiaries	-	-	132,114	132,941
Current tax assets	2,760	3,209	-	-
Bank and cash balances	109,700	153,483	214	258
	400,502	351,619	132,328	133,199
Total assets	586,258	538,062	215,658	216,529
Current liabilities				
Trade payables	116,637	77,221	-	-
Accruals, other payables and deposits received	132,403	129,746	448	573
Current tax liabilities	4,418	4,478	-	-
	253,458	211,445	448	573
Non-current liabilities				
Deferred tax liabilities	3,126	3,126	-	-
Total liabilities	256,584	214,571	448	573
	329,674	323,491	215,210	215,956
Equity attributable to shareholders of the Company				
Share capital	35,500	35,500	35,500	35,500
Treasury share	(2,176)	(2,176)	(2,176)	(2,176)
Reserves	296,363	290,180	181,886	182,632
	329,687	323,504	215,210	215,956
Minority interests	(13)	(13)	-	-
Total equity	329,674	323,491	215,210	215,956

Note 1: The increase in available-for-sale financial assets was due to placement of principal protected deposit. Available-for-sale financial assets are measured at fair value.

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

As at 30 June 2009		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
nil	nil	nil	nil

Amount repayable after one year

As at 30 June 2009		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
nil	nil	nil	nil

Details of any collateral**None**

1(c) A cash flow statement (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 30 June 2009

	The Group	
	3 months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Cash flows from operating activities		
Profit before tax	6,096	23,873
Adjustments for :		
Amortisation of prepaid land lease payments and land use rights	120	119
Equity-settled share-based payments	139	51
Depreciation	5,708	3,546
Loss on disposals of property, plant and equipment	16	-
Interest income	(278)	(860)
Operating profit before working capital changes	11,801	26,729
Increase in long term receivables	-	(1,130)
Increase in inventories	(21,191)	(24,119)
Increase in trade receivables	(63,631)	(23,539)
Increase in prepayments, deposits and other receivables	(3,775)	(23,126)
Increase in trade payables	39,416	34,980
Increase in accruals, other payables and deposits received	2,657	17,303
Cash (used in)/generated from operations	(34,723)	7,098
Income tax paid	(306)	-
Net cash (used in)/generated from operating activities	(35,029)	7,098
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,157)	(11,717)
Purchase of available-for-sale financial assets (Note 1)	(7,750)	(7,800)
Proceeds from disposals of available-for-sale financial assets	3,875	-
Interest received	278	860
Net cash used in investing activities	(8,754)	(18,657)
Net decrease in cash and cash equivalents	(43,783)	(11,559)
Cash and cash equivalents at beginning of the period	153,483	181,691
Cash and cash equivalents at end of the period	109,700	170,132

Note 1: Being placements of principal protected deposits.

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 Statement of Changes in Equity

The Group	Attributable to the shareholders of the Company												
	Share capital	Treasury shares	Reserves							Total reserves	Total	Minority Interests	Total equity
			Share premium	Share-based payment reserve	Translation reserve	Statutory reserve (note 1)	Investment revaluation reserve	Retained earnings					
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Balance at 1 April 2009	35,500	(2,176)	85,591	571	10,484	242	(2,061)	195,353	290,180	323,504	(13)	323,491	
Total comprehensive income for the period	-	-	-	-	-	-	643	5,401	6,044	6,044	-	6,044	
Share-based payments	-	-	-	139	-	-	-	-	139	139	-	139	
Balance at 30 Jun 2009	35,500	(2,176)	85,591	710	10,484	242	(1,418)	200,754	296,363	329,687	(13)	329,674	
Balance at 1 April 2008	35,500	-	85,591	130	6,141	94	-	170,127	262,083	297,583	-	297,583	
Total comprehensive income for the period	-	-	-	-	-	-	-	21,008	21,008	21,008	-	21,008	
Share-based payments	-	-	-	51	-	-	-	-	51	51	-	51	
Balance at 30 Jun 2008	35,500	-	85,591	181	6,141	94	-	191,135	283,142	318,642	-	318,642	

The Company	Reserves							Total
	Share capital	Treasury shares	Share premium	Share-based payment reserve	Contributed surplus	Retained earnings	Total reserves	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2009	35,500	(2,176)	85,591	571	67,239	29,231	182,632	215,956
Total comprehensive income for the period	-	-	-	-	-	(885)	(885)	(885)
Share-based payments	-	-	-	139	-	-	139	139
Balance at 30 Jun 2009	35,500	(2,176)	85,591	710	67,239	28,346	181,886	215,210
Balance at 1 April 2008	35,500	-	85,591	130	67,239	27,697	180,657	216,157
Total comprehensive income for the period	-	-	-	-	-	(1,178)	(1,178)	(1,178)
Share-based payments	-	-	-	51	-	-	51	51
Balance at 30 Jun 2008	35,500	-	85,591	181	67,239	26,519	179,530	215,030

Note 1: The statutory reserve of the Group refers to the PRC statutory reserve fund. Appropriations to such reserve fund are made out of profit after tax as recorded in the statutory financial statements of the PRC subsidiaries. The amount should not be less than 10% of the profit after tax as recorded in the statutory financial statements unless the aggregate amount exceeds 50% of the registered capital of the PRC subsidiaries. The statutory reserve can be used to make up prior years' losses of the PRC 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.

There were no changes in the Company's share capital since the end of the previous period reported on. As at 30 June 2009, the share capital of the Company comprises 355,000,000 shares.

As at 30 June 2009, the Company has the following outstanding share options:

Employee Share Option Scheme ("ESOS")	Exercise Price	Balance as at 31.3.2009	Additions	Options cancelled (Note 4)	Balance as at 30.6.2009
(a) Incentive Options	S\$0.225	800,000	-	-	800,000
(Note 1)	S\$0.175	900,000	-	-	900,000
(Note 2)	S\$0.144	2,400,000	-	-	2,400,000
(b) Market Options (Note 3)	S\$0.215	1,000,000	-	-	1,000,000
Total		5,100,000	-	-	5,100,000

As at 30 June 2008, the Company has the following outstanding share options:

Employee Share Option Scheme ("ESOS")	Exercise Price	Balance as at 31.3.2008	Additions	Options cancelled	Balance as at 30.6.2008
(a) Incentive Options	S\$0.225	1,000,000	-	200,000	800,000

As at 30 June 2009, 3,277,000 shares were held as treasury shares (1Q FY2009: Nil)

Notes:

- (1) The Incentive Options were issued at 18.6% discount of the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding 8 July 2008, the date of grant of the Options.
- (2) The Incentive Options were issued at 19.6% discount of the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding 27 August 2008, the date of grant of the Options.
- (3) 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 8 July 2008, the date of grant of the Options.
- (4) Cancelled due to resignation of staff.

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.

Issued Ordinary Shares	Number of Shares	
	As at 30.6.2009	As at 31.3.2009
Total number of issued shares	355,000,000	355,000,000
Total number of treasury shares	(3,277,000)	(3,277,000)
Total number of issued shares excluding treasury shares	351,723,000	351,723,000

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.

Except as disclosed under note 5, the Group has adopted the same accounting policies and methods of computation for the current reporting period as those used in preparing the audited consolidated financial statements for the year ended 31 March 2009.

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.

In current period, the Group and the Company have adopted the following new and revised International Financial Reporting Standards ("IFRS") that were effective from 1 January 2009.

IFRS 1 (Revised)	Presentation of Financial Statements
IFRS 108	Operating Segments

The adoption of the above IFRS did not result in any substantial change to the Group's and the Company's accounting policies nor any significant impact on the financial statement.

The main impact from the application of IFRS 1 (Revised) related to a change of presentation of all non-owner changes in the equity in a Statement of Comprehensive Income. This change does not affect the recognition and measurement of the entity's transactions. The 'Balance Sheets' and 'Consolidated Cash Flow Statement' have been re-titled to 'Statements of Financial Position' and 'Consolidated Statement of Cash Flows' respectively.

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	
	3 months ended 30 June 2009	3 months ended 30 June 2008
Earnings per ordinary share for the period based on the net profit for the period		
(a) Based on weighted average number of ordinary shares on issue; and	HK 1.5 cents	HK 5.9 cents
(b) On a fully diluted basis	N/A	N/A
Number of ordinary shares in issue		
Weighted average number of ordinary shares for the purpose of basic earnings per share	352,639,139	355,000,000
Effect of potentially dilutive ordinary shares – Share options	N/A	N/A
Weighted average number of ordinary shares	352,639,139	355,000,000

Notes

The calculation of basic earnings per share for the year ended 30 June 2009 is based on profit attributable to shareholders of the Company of approximately HK\$5.4 million (30 June 2008: HK\$21.0 million) divided by the weighted average number of ordinary shares of 352,639,139 (30 June 2008: 355,000,000) in issue during the period.

The effects of all potential ordinary shares are anti-dilutive for both the periods ended 30 June 2009 and 30 June 2008.

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	
	30.6.2009	31.03.2009	30.6.2009	31.03.2009
	HK cents	HK cents	HK cents	HK cents
Net asset value per ordinary share based on issued share capital excluding treasury shares at the end of the period:	93.7	92.0	61.2	61.4
Number of ordinary shares in issue excluding treasury shares	351,723,000	351,723,000	351,723,000	351,723,000

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.**

Revenue

Revenue decreased by 7.0% or HK\$16.5 million from HK\$235.1 million for the period ended 30 June 2008 ("1Q FY2009") to HK\$218.6 million for the period ended 30 June 2009 ("1Q FY2010"). The decrease in revenue was attributable to the decrease in sales for the OEM segment.

OEM revenue decreased by 9.8% to HK\$170.8 million (1Q FY2009: HK\$189.3 million). The decrease was mainly due to decreased demand from some major customers.

ODM revenue increased by 4.4% to HK\$47.8 million (1Q FY2009: HK\$45.8 million). The increase was mainly due to increase in sales from one of the major customers.

Gross profit and gross profit margin

Gross profit decreased by 20.4% to HK\$36.0 million (1Q FY2009: HK\$45.2 million) and gross profit margin decreased by 2.7% to 16.5% (1Q FY2009: 19.2%). The decrease in gross profit margin was mainly due to a change in sales mix and an increase in depreciation charge and operating costs of our new Daya Bay facilities.

Other income

Other income increased by 333.9% to HK\$1.1 million (1Q FY2009: HK\$0.3 million). This was mainly due to more tooling income earned during the period and an exchange gain of HK\$0.5 million (1Q FY2010: exchange loss of HK\$1.1 million).

Selling and distribution costs

Selling and distribution costs increased by 52.8% to HK\$7.7 million (1Q FY2009: HK\$5.0 million). This was mainly due to an increase in sales and marketing spending and sales commissions paid to our sales representatives.

Administrative expenses

Administrative expenses decreased by 17.1% to HK\$13.6 million (1Q FY2009: HK\$16.5 million). This was mainly due to the Group's continuous effort to tighten its expenses.

Net other operating (loss)/gain

Additional HK\$9.5 million provision for doubtful debt was provided for a customer who has experienced working capital distress since the economic turmoil which started in 2008. The Group had previously provided HK\$8.7 million allowance for doubtful debt for the same customer in FY2009. As of to-date, full provision has been made for this customer.

Profit before tax

As a result of the above, on a year-on-year basis, profit before tax decreased by 74.5% to HK\$6.1 million (1Q FY2009: HK\$23.9 million).

Financial position

Available-for-sale financial assets held by the Group increased by HK\$4.5 million from HK\$13.5 million as at 31 March 2009 to HK\$18.1 million as at 30 June 2009, mainly due to placements of principal protected deposit.

The Group's inventory balance increased by HK\$21.2 million from HK\$67.1 million as at 31 March 2009 to HK\$88.3 million as at 30 June 2009. The increase was in line with our sales order status

The Group's trade receivables increased by HK\$63.6 million from HK\$102.4 million as at 31 March 2009 to HK\$166.1 million as at 30 June 2009. The increase resulted from increased purchase orders from customers in line with the increased sales and also partially due to longer payment terms for one of the Group's major MNC customers. The individual operating entities under this customer currently contributes in total to about one-third of the Group's revenue.

Cash flow statement

Cash and cash equivalents held by the Group stood at HK\$109.7 million as at 30 June 2009 (31 March 2009: HK\$153.5 million). The net decrease in cash and cash equivalents was mainly due to the deposits and payments for the construction of staff dormitory, increase in inventories and increase in trade receivables.

The Group currently has not invested in any financial derivatives. The Group places most of its bank deposits with authorised institutions in Hong Kong. On 14 October 2008, the Hong Kong government announced that it will use the Exchange Fund to guarantee the repayment of customer deposits held with all authorised institutions in Hong Kong until the end of 2010.

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

The 1Q FY2010 results announcement is in line with the prospect statement disclosed to shareholders in Q4 FY2009 results announcement.

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.

FY2010 is expected to remain challenging given the current economic climate and the sentiment among the Group's customers remains cautious. The Group continues to contend with challenging issues which include high uncertainty in demand patterns and sales orders, price pressures from customers, deteriorating credit conditions and significant fluctuations in exchange rates of major currencies. The following quarter will continue to be impacted by such adversities.

The Group is also monitoring the performance of our customers' financial health closely, through public information sources and consistent dialogue with major customers by the individual project team leaders working on key customer accounts. This practice is to help the Group mitigate the risk of over-stocking of inventories.

While the Group reinforces its focus on financial and business fundamentals such as productivity and operation efficiency, design and development capabilities, excellence in customer service, the Group will also continue to have vigilant working capital management by imposing strict control measures and to work through the current global economic slowdown with the objective to maintain profitability.

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 the current financial period reported on.

BY ORDER OF THE BOARD

TSE Chong Hing

**Chairman and Managing Director
11 August 2009**

Confirmation By Directors Pursuant to Clause 705(4) of the Listing Manual of SGX-ST.

We, Tse Chong Hing and Chow Kok Kit, being two 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 1Q FY2010 financial results 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

Chow Kok Kit
Executive Director