

Media Release

(For Immediate Release)

**VALUETRONICS RECORDS IMPRESSIVE
 EARNINGS GROWTH OF 26.4% YEAR ON YEAR TO
 HK\$74.2 MILLION**

Financial Highlights (HK\$ 'm)	12 Months ended 31 March		
	FY07	FY06	% Change
Revenue	723.9	601.9	20.3
Gross Profit	146.5	119.9	22.2
Net Profit	74.2	58.7	26.4

- *Overall revenue grew 20.3% year on year to reach HK\$ 723.9 million.*
- *OEM and ODM segments contributed HK\$523.5 million and HK\$200.3 million to total revenue respectively.*
- *Segmental revenue from OEM and ODM increased by 13.9% and 40.9% or HK\$63.8 million and HK\$ 58.1 million respectively from the year before*
- *Profit After Tax rose from HK\$58.7 million in FY06 to HK\$74.2 million in FY07*
- *Creditable growth expected for both ODM and OEM segments*

Singapore, 22 May 2007 - Mainboard listed Valuetronics Holdings Limited (“Valuetronics”, “鸿通电子控股有限公司” or the “Group”), an Electronics Manufacturing Services provider registered strong growth in its net profit after tax of 26.4% to HK\$74.2 million for the full

year ended 31 March 2007 (“FY07”) against HK\$58.7 million in the previous corresponding period, exceeding its rate of revenue growth during the same period

Revenue rose 20.3% from HK\$601.9 million the year ended 31 March 2006 (“FY06”) to HK\$723.9 million in FY07, which can be attributed to the contributions from both the Original Equipment Manufacturing (“OEM”) and Original Design Manufacturing (“ODM”) segments. Revenue from the OEM segment increased 13.9% or HK\$63.8 million year-on-year for the year ended 31 March 2007, due to the rise in demand from two of its major customers. On the other hand, revenue from the ODM segment surged 40.9% or HK\$58.1 million in FY07, backed by increase in overall sales from one of our major customers and strong orders following the successful launch of a series of electronic products with a leading infant products brand.

Gross profit grew 22.2% to HK\$146.5 million in FY07 against HK\$119.9 million recorded in the previous year. As a result of the improved mix of better profit margin products from the OEM segment, the Group’s gross profit margin inched up from 19.9% to 20.2% for FY07. The increase in gross profit margin was partly offset by the slight dip of profit margin of the ODM segment due to an increase in cost of raw materials such as plastic resin and metal.

Pleased with the Group’s impressive performance, Chairman and Managing Director of Valuetronics, Mr Tse Chong Hing commented, *“I am pleased to share the excellent financial performance of the Valuetronics with our shareholders, especially since this is our first full year results announcement after our listing in March 2007. Our OEM and ODM business segments continued to gain good traction amongst our international clientele base because we were able to innovate and offer new design and development ideas to them. This is our competitive edge and we intend to keep sharpening our design and development capabilities even more.”*

Last month, the Group announced it had been formally awarded ISO13485 certificate to manufacture medical devices. *“Alongside with the listing of the Group which marked a historical milestone for Valuetronics, the ISO13485 certification will enable us to explore the new medical device market. This is a first step in the long road to securing a strong clientele base in this market and we are in it for the long haul.”* Mr Tse added.

The Group’s cash and cash equivalent stood at HK\$176.6 million with an increase of HK\$99.9 million for the period ended 31 March 2007. Positive net cash generated from both operating activities and financing activities (including cash generated from the issuance of new shares at IPO) totaled at HK\$126.4 million. These were partially offset by net cash outflow from investing activities amounting to HK\$26.5 million mainly for the purchase of property, plant and equipment.

For the year ended 31 March 2007, earnings per share rose to HK\$0.274 cents compared to HK\$0.217 cents previously. The Group’s net asset value per ordinary share jumped to HK\$0.629 cents as at 31 March 2007 from HK\$0.277 cents as at 31 March 2006. The Group maintains a very healthy and liquid financial position to support its growth strategies.

Going Forward

Commenting on the Group’s prospects in the next 12 months, Mr Tse added that *“we believe the operating landscape remains competitive and demanding and raw material prices and labour conditions in China will still remain ongoing challenges for the Group”*.

“Nonetheless, with the continuous improvement in design and manufacturing capabilities by the Group, coupled with the confidence placed on us by existing customers, we believe we will yield creditable growth both in the OEM and ODM segments.” Mr Tse concluded.

The Group expects to increase its share of businesses from some existing customers, while it develops new customers in the industrial and consumer sectors. Barring unforeseen circumstances, the Group expects to remain profitable.

Provenance Capital Pte. Ltd. was the Issue Manager of the Initial Public Offering of Valuetronics Holdings Limited.

- End -

About Valuetronics Holdings Limited

Valuetronics is an integrated electronics manufacturing services (“EMS”) provider with principal activities ranging from Original Equipment Manufacturing (“OEM”) and Original Design Manufacturing (“ODM”). The Group’s customer base is predominantly in the telecommunications, industrial and commercial electronics products and consumer electronic products industries which spans across a wide geographical region that covers America, Europe and Asia Pacific region. The Group’s customers include OEMs and ODMs as well as international brand owners such as, “DYMO”, “GE”, “GRACO”, “HID”, “HONEYWELL”, “KAZ”, “KITCHENAID”, “NTT” and “PHILIPS”. Headquartered in Hong Kong, the Group’s manufacturing facility is located in Danshui Town, Huiyang District, Huizhou City, Guangdong Province, PRC.

Issued for and on behalf of Valuetronics Holdings Limited by Cogent Communications Pte Ltd

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