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Media Release

(For Immediate Release)

VALUETRONICS RECORDS HEALTHY NET EARNINGS GROWTH OF 17.0% TO HK\$70.8M FOR 9MFY2008

- *Sturdy earnings growth of a 24.1% rise in revenue to HK\$679.3m for current quarter from HK\$547.6m in the same period a year ago.*
- *Continuous sales contribution from leading brands such as DYMO, PHILIPS, GRACO and TRANSACT boosted Group revenue for quarter under review.*

Financial Highlights (in HK\$'M)	3 months ended 31 December 2007			9 months ended 31 December 2007		
	FY2008	FY2007	% Change	FY2008	FY2007	% Change
Turnover	239.5	182.0	31.6	679.3	547.6	24.1
Gross Profit	45.4	38.9	16.7	138.7	115.2	20.4
Net Profit	21.6	21.0	2.6	70.8	60.5	17.0

Singapore, 30 January 2008 - Mainboard listed Valuetronics Holdings Limited (“Valuetronics”, “鸿通电子控股有限公司” or the “Group”), a premier design and manufacturing partner for the world’s leading brands in the consumer and industrial

electronics sector, today announced a healthy net profit after tax growth of 17% to HK\$70.8m for its nine months ended 31 December 2007 (“9MFY08”).

Operations Review

Revenue growth was driven by continuous strong contribution from **Dymo**, **Philips**, **Graco** and **Transact**. In addition, the Group’s saw increased growth in revenue contribution from **Sensitech** and **Hemisphere** for the third quarter ended 31 December 2007. The Group’s overall revenue for 9MFY08 rose 24.1% to HK\$679.3m, compared to HK\$547.6m recorded in the same period last year.

Riding on the increased demand from the Group’s major customers, **Philips**, **Transact** and **Dymo**, growth for the Group’s OEM segment jumped 32% to HK\$510.5m from HK\$386.6m in the previous corresponding period. At the same time, revenue for the ODM segment in 9MFY08 grew 4.8% to HK\$168.8m from HK\$161.0m in 9MFY07, on the back of a steady stream of orders for **Graco’s** baby monitor and portable battery chargers for private label customers.

Pleased with the Group’s healthy performance, Mr Ricky Tse Chong Hing, Chairman and Managing Director of Valuetronics commented, *“We have achieved an unwavering set of results. A continuous stream of orders from our major customers is testimony to their recognition of our partnership in the co-development of products.”*

The Group’s growth in sales contribution translated a 20.4% growth in gross profit to HK\$138.7m for 9MFY08 compared to HK\$115.2m in the same period last year.

Together with changes in sales mix and provision for economic compensation in compliance with China's new Labour Contract Law, the Group's gross profit margin dipped slightly to 20.4% for the period.

Financial Position

The Group's cash position remains strong with HK\$157.3m in cash and cash equivalents as at 31 December 2007.

Going Forward

While concerns over the US subprime mortgage crisis and its potential impact on US consumer demand remain, the Directors believe that the Group will be able to weather a market slowdown, if any. This is because Valuetronics' customers are global brand names and leaders in their respective industry segments and their markets are worldwide and diversified.

"Our primary focus is to sustain our growth momentum while maintaining a healthy customer mix. This will enable us to maintain our long term profitability and better weather any market volatility." added Mr Tse.

Under the People's Republic of China ("PRC") new Labour Contract Law which became effective on 1 January 2008, every employee who has served more than 12 months will receive an economic compensation of a mandatory extra one month pay. As a result, Valuetronics has complied with the new law and has made provision of HK\$6.4m for economic compensation for workers and staff. The Group's PRC payroll cost is currently less than 5 percent of its total sales.

Nonetheless, the Group will continually drive efficiency and raise productivity in order to counter the impact of this new policy.

Barring unforeseen circumstances, the Group expects performance in FY2008 to be better than FY2007.

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

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

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About Valuetronics Holdings Limited

Valuetronics is a premier design and manufacturing partner for the world's leading brands in the consumer and industrial electronics sector. 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", "TRANSACT", "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.