



Business Update – Resumption of Operations at Danshui Plant

Further to our announcement on 16 June 2008, the Board of Directors of Valuetronics Holdings Limited (“Valuetronics” or the “Group”) would like to provide a business update on the current situation after the flood has receded in its manufacturing facility located in Danshui Town, Huiyang District, Huizhou City, Guangdong Province, Peoples’ Republic of China (“PRC”) (“Danshui Plant”).

In our announcement on 16 June 2008, we informed that the recent flash flood in Southern China had affected the plastic injection moulding lines, metal machining center, tooling fabrication center and computer data center at the Danshui Plant. Power outages had also led to temporary work stoppages at the Danshui Plant. The management had estimated then that resumption of operations at the Danshui plant would require a period of more than a week.

Based on the current impact assessment provided by the management, the Board is pleased to inform that the plastic injection moulding lines, the metal machining center and the tooling fabrication center have resumed partial operation today and is expected to be fully operational by Friday, 20 June 2008. The computer data center has already resumed full operation yesterday.

In addition, the Board wishes to inform that the Group’s new plant at Daya Bay Economic Zone was unaffected by the flash flood which began on Friday, 13 June 2008 and receded on Saturday, 14 June 2008.

The Board would like to extend their appreciation to the management and staff of Valuetronics for their quick response to the emergency so that operations at the Danshui factory can be resumed promptly.

By Order of the Board

Tse Chong Hing
Chairman and Managing Director

18 June 2008