VALUETRONICS HOLDINGS LIMITED
(Incorporated in Bermuda)
(Co. Reg. No: 38813)

FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of profit or loss and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement for the year ended 31 March 2019

	The Group		
	Year ended 31 March		
	2019	2018	Change
	HK$'000	HK$'000	%
Revenue	2,828,786	2,853,667	-0.9
Cost of sales	(2,398,527)	(2,439,067)	-1.7
Gross profit	**430,259**	**414,600**	**3.8**
Selling and distribution expenses	(41,476)	(37,919)	9.4
Administrative expenses	(177,202)	(161,497)	9.7
Other income and gains, net	26,681	15,221	75.3
Net other operating loss	(13,610)	-	NM
Operating profit	**224,652**	**230,405**	**-2.5**
Finance costs	(600)	(684)	-12.3
Profit before income tax	**224,052**	**229,721**	**-2.5**
Income tax expense	(24,572)	(24,990)	-1.7
Profit for the year	**199,480**	**204,731**	**-2.6**
Attributable to:			
Owners of the Company	199,480	204,731	-2.6

Consolidated Statement of Comprehensive Income for the year ended 31 March 2019

	The Group		
	Year ended 31 March		
	2019	2018	Change
	HK$'000	HK$'000	%
Profit for the year	**199,480**	**204,731**	**-2.6**
Other comprehensive (expense)/income, net of tax			
Items that may be reclassified to profit or loss:			
Currency translation differences*	(5,116)	7,352	-169.6
Total comprehensive income for the year	**194,364**	**212,083**	**-8.4**
Attributable to:			
Owners of the Company	194,364	212,083	-8.4

***** Representing exchange differences on translating the Group's subsidiaries in the PRC arising from the (depreciation)/appreciation of Renminbi.

Note:

NM: Not meaningful

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

	The Group	
	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Depreciation on property, plant and equipment	44,898	37,066
Amortisation of land use rights	459	462
Gains on disposals of property, plant and equipment	(374)	(513)
Interest income	(14,752)	(8,800)
Bank charges	600	684
Net exchange gains	(6,331)	(3,751)
Impairment loss recognised in respect of flash floods that occurred on 17 September 2018 at the Danshui Plant	13,610	-

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

Statements of Financial Position as at 31 March 2019

	The Group		The Company	
	At 31.3.2019	At 31.3.2018	At 31.3.2019	At 31.3.2018
	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS				
Non-current assets				
Land use rights	17,154	18,673	-	-
Property, plant and equipment	209,808	209,648	-	-
Interests in subsidiaries	-	-	83,330	83,330
Financial assets at fair value	61,830	-	-	-
Available-for-sale financial assets	-	50,430	-	-
Others	28,867	15,676	-	-
Total non-current assets	**317,659**	**294,427**	**83,330**	**83,330**
Current assets				
Inventories	302,046	385,637	-	-
Trade receivables	436,832	582,814	-	-
Other receivables and prepayments	26,385	34,799	369	365
Due from subsidiaries	-	-	411,868	395,622
Cash and bank deposits	930,445	671,087	165	337
Total current assets	**1,695,708**	**1,674,337**	**412,402**	**396,324**
Total assets	**2,013,367**	**1,968,764**	**495,732**	**479,654**
EQUITY				
Share capital	43,401	43,240	43,401	43,240
Treasury shares	(2,272)	(8,298)	(2,272)	(8,298)
Reserves	1,118,153	1,027,018	454,274	444,054
Total equity	**1,159,282**	**1,061,960**	**495,403**	**478,996**
LIABILITIES				
Non-current liabilities				
Deferred income tax liabilities	8,918	7,332	-	-
Total non-current liabilities	**8,918**	**7,332**	**-**	**-**
Current liabilities				
Trade payables	391,503	482,893	-	-
Other payables and accruals	355,734	382,552	329	658
Contract liabilities	53,963	-	-	-
Current income tax liabilities	43,967	34,027	-	-
Total current liabilities	**845,167**	**899,472**	**329**	**658**
Total liabilities	**854,085**	**906,804**	**329**	**658**
Total equity and liabilities	**2,013,367**	**1,968,764**	**495,732**	**479,654**
Net current assets	**850,541**	**774,865**	**412,073**	**395,666**
Total assets less current liabilities	**1,168,200**	**1,069,292**	**495,403**	**478,996**

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 March 2019		As at 31 March 2018	
Secured	Unsecured	Secured	Unsecured
HK$'000	HK$'000	HK$'000	HK$'000
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 31 March 2019		As at 31 March 2018	
Secured	Unsecured	Secured	Unsecured
HK$'000	HK$'000	HK$'000	HK$'000
Nil	Nil	Nil	Nil

Details of any collateral

None

1(c) A statement of cash flows 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 year ended 31 March 2019

	The Group	
	Year ended 31 March	
	2019	2018
	HK$'000	HK$'000
Cash flows from operating activities		
Profit before income tax	224,052	229,721
Adjustments for :		
Amortisation of land use rights	459	462
Depreciation on property, plant and equipment	44,898	37,066
Gains on disposals of property, plant and equipment	(374)	(513)
Share-based compensation	4,603	5,526
Interest income	(14,752)	(8,800)
	258,886	**263,462**
Changes in working capital:		
Inventories	83,591	(93,773)
Trade receivables	145,982	(96,539)
Other receivables and prepayments	11,509	(5,503)
Trade payables	(91,390)	(1,815)
Other payables and accruals and contract liabilities	8,533	16,703
Net cash generated from operations	**417,111**	**82,535**
Income tax paid	(13,046)	(19,006)
Net cash generated from operating activities	**404,065**	**63,529**
Cash flows from investing activities		
Purchase of property, plant and equipment	(47,059)	(82,387)
Proceeds from disposals of property, plant and equipment	530	587
Addition of available-for-sale financial assets	-	(42,800)
Redemption of available-for-sale financial assets	-	64,274
Addition of financial assets at fair value	(11,200)	-
Net increase in short-term bank deposits*	(38,744)	(116,256)
Interest received	14,752	8,800
Net cash used in investing activities	**(81,721)**	**(167,782)**
Cash flows from financing activities		
Purchase of Treasury Shares	(3,884)	-
Dividend paid	(107,185)	(114,134)
Proceeds from shares issued in exercise of share options	9,424	19,911
Net cash used in financing activities	**(101,645)**	**(94,223)**
Net increase/(decrease) in cash and cash equivalents	**220,699**	**(198,476)**
Effect of foreign exchange rate changes	(85)	366
Cash and cash equivalents at beginning of the year	554,831	752,941
Cash and cash equivalents at end of the year *	**775,445**	**554,831**

* As at 31 March 2019, cash and bank deposits of the Group amounted to HK$930,445,000 (31 March 2018: HK$671,087,000) comprise (i) cash and cash equivalents of HK$775,445,000 (31 March 2018: HK$554,831,000); and (ii) term deposits with initial terms of over three months of HK$155,000,000 (31 March 2018: HK$116,256,000).

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 Statements of Changes in Equity for the year ended 31 March 2019

	Attributable to the owners of the Company								
			Reserves						
The Group	Share capital	Treasury share	Share premium	Share-based payment reserve	Currency translation reserve	Statutory reserve (Note)	Retained earnings	Total reserves	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 April 2018	43,240	(8,298)	155,065	6,734	21,571	4,099	839,549	1,027,018	1,061,960
Total comprehensive income for the year	-	-	-	-	(5,116)	-	199,480	194,364	194,364
Dividends paid	-	-	-	-	-	-	(107,185)	(107,185)	(107,185)
Issue of shares on exercise of share options	161	9,910	3,851	(4,498)	-	-	-	(647)	9,424
Share-based compensation	-	-	-	4,603	-	-	-	4,603	4,603
Lapse of share options	-	-	-	(421)	-	-	421	-	-
Transfer to statutory reserve	-	-	-	-	-	424	(424)	-	-
Purchase of treasury shares	-	(3,884)	-	-	-	-	-	-	(3,884)
Changes in equity for the year	161	6,026	3,851	(316)	(5,116)	424	92,292	91,135	97,322
Balance at 31 March 2019	**43,401**	**(2,272)**	**158,916**	**6,418**	**16,455**	**4,523**	**931,841**	**1,118,153**	**1,159,282**
Balance at 1 April 2017	38,439	(8,268)	130,791	10,342	14,219	3,427	749,624	908,403	938,574
Total comprehensive income for the year	-	-	-	-	7,352	-	204,731	212,083	212,083
Dividends paid	-	-	-	-	-	-	(114,134)	(114,134)	(114,134)
Issue of shares on exercise of share options	948	-	18,963	-	-	-	-	18,963	19,911
Transfer to share premium upon exercise of share options	-	-	9,134	(9,134)	-	-	-	-	-
Issue of bonus shares	3,853	(30)	(3,823)	-	-	-	-	(3,823)	-
Share-based compensation	-	-	-	5,526	-	-	-	5,526	5,526
Transfer to statutory reserve	-	-	-	-	-	672	(672)	-	-
Changes in equity for the year	4,801	(30)	24,274	(3,608)	7,352	672	89,925	118,615	123,386
Balance at 31 March 2018	**43,240**	**(8,298)**	**155,065**	**6,734**	**21,571**	**4,099**	**839,549**	**1,027,018**	**1,061,960**

The Company			**Reserves**					
	Share capital	Treasury share	Share premium	Share-based payment reserve	Contributed surplus	Retained earnings	Total reserves	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 April 2018	43,240	(8,298)	155,065	6,734	67,239	215,016	444,054	478,996
Total comprehensive income for the year	-	-	-	-	-	113,449	113,449	113,449
Dividends paid	-	-	-	-	-	(107,185)	(107,185)	(107,185)
Issue of shares on exercise of share options	161	9,910	3,851	(4,498)	-	-	(647)	9,424
Share-based compensation	-	-	-	4,603	-	-	4,603	4,603
Lapse of share options	-	-	-	(421)	-	421	-	-
Purchase of treasury shares	-	(3,884)	-	-	-	-	-	(3,884)
Changes in equity for the year	161	6,026	3,851	(316)	-	6,685	10,220	16,407
Balance at 31 March 2019	**43,401**	**(2,272)**	**158,916**	**6,418**	**67,239**	**221,701**	**454,274**	**495,403**
Balance at 1 April 2017	38,439	(8,268)	130,791	10,342	67,239	212,860	421,232	451,403
Total comprehensive income for the year	-	-	-	-	-	116,290	116,290	116,290
Dividends paid	-	-	-	-	-	(114,134)	(114,134)	(114,134)
Issue of shares on exercise of share options	948	-	18,963	-	-	-	18,963	19,911
Transfer to share premium under exercise of share options	-	-	9,134	(9,134)	-	-	-	-
Issue of bonus shares	3,853	(30)	(3,823)	-	-	-	(3,823)	-
Share-based compensation	-	-	-	5,526	-	-	5,526	5,526
Changes in equity for the year	4,801	(30)	24,274	(3,608)	-	2,156	22,822	27,593
Balance at 31 March 2018	**43,240**	**(8,298)**	**155,065**	**6,734**	**67,239**	**215,016**	**444,054**	**478,996**

Note : In accordance with the relevant PRC regulations, the subsidiaries of the Group established in the PRC are required to transfer a certain percentage of the profit after tax, if any, to a statutory reserve. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory reserve may be used to offset the accumulated losses, if any, of the 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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.

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.

SHARE CAPITAL

As at 31 March 2019, the number of ordinary shares in issue was 434,008,337 of which 630,000 were held by the Company as treasury shares (equivalent to 0.15% of the total number of issued shares excluding treasury shares of 433,378,337). The share capital was $43.4 million.

As at 31 March 2018, the number of ordinary shares in issue was 432,397,617 of which 3,343,780 were held by the Company as treasury shares (equivalent to 0.78% of the total number of issued shares excluding treasury shares of 429,053,837). The share capital was $43.2 million.

There was no subsidiary holding as at 31 March 2019 and 2018.

SHARE OPTIONS

As at 31 March 2019, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price (Note 3)	Balance as at 31.3.2018	Additions	Share options exercised	Lapsed	Balance as at 31.3.2019
(a) Incentive Options (Note 1)	S$0.268	3,767,500	-	(3,657,500)	(82,500)	27,500
	S$0.379	3,795,000	-	(1,677,500)	(308,000)	1,809,500
	S$0.701	3,245,000	-	-	(150,000)	3,095,000
	S$0.530	-	2,890,000	-	-	2,890,000
(b) Market Options (Note 2)	S$0.474	55,000	-	(55,000)	-	-
Total		10,862,500	2,890,000	(5,390,000)	(540,500)	7,822,000

As at 31 March 2018, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price (Note 3)	Balance as at 31.3.2017	Additions	Adjustment for bonus issues (Note 3)	Share options exercised	Balance as at 31.3.2018
(a) Incentive Options (Note 1)	S$0.369	3,700,000	-	277,500	(3,977,500)	-
	S$0.268	6,300,000	-	630,000	(3,162,500)	3,767,500
	S$0.379	3,450,000	-	345,000	-	3,795,000
	S$0.701	-	3,245,000	-	-	3,245,000
(b) Market Options (Note 2)	S$0.474	2,175,000	-	217,500	(2,337,500)	55,000
Total		15,625,000	3,245,000	1,470,000	(9,477,500)	10,862,500

Notes:

(1) The Incentive Options were issued at a discount of not more than 20% to the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding the date of grant of the respective Options.
(2) 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 the date of grant of the respective Options.
(3) Following the completion of the 1-for-10 bonus issue on 5 June 2017, the number of outstanding share options held by each holder has been adjusted upward by 10% and their respective exercise prices have been adjusted downward by 10% as a result.

PERFORMANCE SHARE PLAN

The Company has no outstanding performance shares as at 31 March 2019 and 2018.

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.

Total number of issued shares was 434,008,337 and 432,397,617 as at 31 March 2019 and 2018 respectively.

Total number of treasury shares was 630,000 and 3,343,780 as at 31 March 2019 and 2018 respectively.

Total number of issued shares (excluding treasury shares) was 433,378,337 and 429,053,837 as at 31 March 2019 and 2018 respectively.

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 year 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 in item 5 regarding the adoption of International Financial Reporting Standards ("IFRS") effective for the financial year beginning on 1 April 2018, there were no significant changes in accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited annual financial statements for the year ended 31 March 2018.

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.

The Group adopted the following IFRS that are effective for the annual periods beginning on or after 1 January 2018:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers

In accordance with IFRS 9, the Group has reclassified available-for-sale financial assets to financial assets at fair value as at 31 March 2019. In accordance with the transitional provision in IFRS 9, comparative figures have not been restated. The Group applied the IFRS 9's new expected credit loss model to assess the impairment of financial assets. The impact of the change in impairment methodology on the Group's retained earnings and equity was immaterial.

According to the transitional provisions in IFRS 15, the Group has adopted the modified retrospective approach and has not restated comparatives for the previous financial year. Contract liabilities in relation to advance payments from customers previously included in other payables and accruals are now presented as contract liabilities to reflect the terminology of IFRS 15.

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	
	Year ended 31 March 2019	Year ended 31 March 2018
Earnings per ordinary share based on the net profit for the year		
(a) Based on weighted average number of ordinary shares on issue; and	HK 46.2 cents	HK 48.1 cents
(b) On a fully diluted basis	HK 46.1 cents	HK 47.6 cents
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	431,535,927	425,539,112
Effect of potentially dilutive ordinary shares – Share options	771,350	4,393,503
Weighted average number of ordinary shares for the purpose of diluted earnings per share	432,307,277	429,932,615

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	
	31.3.2019	31.03.2018	31.3.2019	31.03.2018
	HK dollar	HK dollar	HK dollar	HK dollar
Net asset value per ordinary share based on issued share capital excluding treasury shares at the end of the period:	2.7	2.5	1.1	1.1
Number of ordinary shares in issue excluding treasury shares	433,378,337	429,053,837	433,378,337	429,053,837

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.

Valuetronics is an Electronic Manufacturing Service ("EMS") provider, which focuses on the design and development of products that meet the ever-changing customers' needs. We are the preferred choice of some successful global companies involved in consumer electronics as well as 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.

The Group classified its EMS business into 2 reportable segments, namely consumer electronics products ("Consumer Electronics" or "CE") and industrial and commercial electronics products ("Industrial and Commercial Electronics" or "ICE").

Review – Full year results ended 31 March 2019 ("FY2019") vs Full year results ended 31 March 2018 ("FY2018")

Revenue

Revenue decreased by 0.9% or HK$24.9 million from HK$2,853.7 million in FY2018 to HK$2,828.8 million in FY2019.

Industrial and Commercial Electronics revenue increased by 14.6% to HK1,667.6 million (FY2018: HK$1,455.6 million), which was mainly due to the increase in demand from some of our Industrial and Commercial customers, including printer, automotive and new customers featuring IOT products.

Consumer Electronics revenue decreased by 16.9% to HK$1,161.2 million (FY2018: HK$1,398.1 million), which was solely due to the slowdown in demand from smart lighting customer.

Gross profit and gross profit margin

Gross profit increased by 3.8% to HK$430.3 million (FY2018: HK$414.6 million), while gross profit margin increased to 15.2% (FY2018: 14.5%) as the results of change in product sales mix during the year.

Other income

Other income increased by 75.3% to HK$26.7 million. Such increase was mainly due to the increase in interest income and net exchange gains.

Selling and distribution expenses

Selling and distribution expenses increased by 9.4% to HK$41.5 million (FY2018: HK$37.9 million). Such increase was mainly due to the increase in commission expenses.

Administrative expenses

Administrative expenses increased by 9.7% to HK$177.2 million. Such increase was mainly due to the increase in staff cost.

Net other operating loss

Danshui Factory was affected by a flash flooding in late September 2018, details of which can be found in our announcements made on 17 September 2018 and 21 September 2018. The Group has made an insurance claim for the damages suffered in the flash flooding. Whilst the Group is working with the insurer's lost adjuster on the insurance claim, taking into account the insurance deductibles and non-recoverable costs, a provision of HK$13.6 million was made during the year.

Profit for the year

As a result of the above, profit for the year decreased by 2.6% to HK$199.5 million (FY2018: HK$204.7 million).

Financial position and cash flows

As at 31 March 2019, the Group had net current assets of HK$850.5 million (31 March 2018: HK$774.9 million), total assets of HK$2,013.4 million (31 March 2018: HK$1,968.8 million) and shareholders' funds of HK$1,159.3 million (31 March 2018: HK$1,062.0 million).

The Group's trade receivables decreased by HK$146.0 million from HK$582.8 million as at 31 March 2018 to HK$436.8 million as at 31 March 2019. The Group's trade payables decreased by HK$91.4 million from HK$482.9 million as at 31 March 2018 to HK$391.5 million as at 31 March 2019. The Group's inventories decreased by HK$83.6 million from HK$385.6 million as at 31 March 2018 to HK$302.0 million as at 31 March 2019.

The working capital of the Group as at 31 March 2019, which is the sum of trade receivables and inventories less trade payables, was HK$347.3 million (31 March 2018: HK$485.5 million). The decrease in net working capital, reflecting the movement in trade receivables, inventories and trade payables, was mainly due to better working capital management, as well as shortened credit term granted to a major customer in response to the Group's working capital investments for building buffer inventories dedicated for that customer. This arrangement shall be revisited periodically with respective to the trend and outlook of the component market.

The Group had no bank borrowings as at 31 March 2019 (31 March 2018: Nil).

As at 31 March 2019, the Group had cash and bank deposits of HK$930.4 million (31 March 2018: HK$671.1 million). Over 98% of its cash and bank deposits were placed in reputable financial institutions in Hong Kong. For the remaining balance, mainly in the PRC, the cash and bank deposits were placed in reputable financial institutions. The cash and bank deposits are audited by the Group's auditors, PricewaterhouseCoopers.

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

Not applicable.

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.

With mixed performances in the CE and ICE customer portfolios, revenue was relatively flat in FY2019 as compared to the previous financial year. In FY2019, the revenue of the CE segment declined by double digits, solely due to a weak performance in smart lighting products, as the smart lighting customer extended their supply chain outside China. The CE segment revenue contribution from consumer lifestyle products remained stable, with no obvious signs and impact from the customer's diversification plan from China supply chain. The decline in CE revenue was offset by double digit revenue growth from the ICE segment, which came from a strong demand from our printer customers, a new version of connectivity modules phased in by our automotive customer, as well as contribution from new customers featuring IOT products in FY2019.

The escalating trade tensions between the US and China has created an uncertain macro-environment and an unpredictable risk over the Group's operations. We saw more customers deploying a diversified procurement strategy by adopting and/or evaluating options of assembling products outside China to mitigate their risks.

To alleviate this impact, the Group has been actively rolling out initiatives to expand its manufacturing footprint outside China in the past few months. Vietnam has been identified as a possible manufacturing site, and the Group has been working closely with one of its customers to explore manufacturing solutions in a leased site in Vietnam. We are expecting the customer to qualify this initial setup by end of June 2019, which will be followed by mass production for shipment from Vietnam to the US market. Taking into account the development of trade tensions between the US and China, the Group may further expand its Vietnam production capacity by building our own manufacturing facilities.

In the meanwhile, we will continue our corporate development strategy in expanding our footprint in North America through exploring of M&A opportunities.

Barring unforeseen circumstances, the directors expect the Group to remain profitable for the financial year ending 31 March 2020.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Amount per Share (in HK cents)	HK 5 cents per ordinary share	HK 15 cents per ordinary share	HK 5 cents per ordinary share
Tax Rate	Not applicable	Not applicable	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Interim	Final	Special
Dividend Type	Cash	Cash	Cash
Dividend Amount per Share (in HK cents)	HK 7 cents per ordinary share	HK 15 cents per ordinary share	HK 5 cents per ordinary share
Tax Rate	Not applicable	Not applicable	Not applicable

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Business segments

The Group has two reportable segments as follows:

Consumer – consumer electronics
Industrial – industrial and commercial electronics

Year ended 31 March 2019	Consumer	Industrial	Total
	HK$'000	HK$'000	HK$'000
Segment revenue	1,161,233	1,667,553	2,828,786
Segment profit	117,869	295,107	412,976
Unallocated corporate expenses			(213,496)
Profit for the year			199,480

Year ended 31 March 2018	Consumer	Industrial	Total
	HK$'000	HK$'000	HK$'000
Segment revenue	1,398,129	1,455,538	2,853,667
Segment profit	136,696	256,762	393,458
Unallocated corporate expenses			(188,727)
Profit for the year			204,731

(b) Geographical segments

Revenue of geographical segments of principal markets are analyzed by shipment destination.

	Year ended 31 March 2019	Year ended 31 March 2018
	HK$'000	HK$'000
United States of America	1,230,789	1,195,566
People's Republic of China	900,332	893,953
Poland	213,503	200,524
Hong Kong	80,085	107,707
Netherlands	51,452	15,673
France	41,235	86,397
South Korea	35,886	37,757
Germany	32,531	47,489
Other countries	242,973	268,601
Total	2,828,786	2,853,667

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8 above.

15. A breakdown of sales.

	Year ended 31 March 2019 HK$'000	Year ended 31 March 2018 HK$'000	Change %
(a) Sales from operations reported for first half year	1,420,228	1,421,377	-0.1
(b) Operating profit after tax reported for first half year	93,977	99,566	-5.6
(c) Sales from operations reported for second half year	1,408,558	1,432,290	-1.7
(d) Operating profit after tax reported for second half year	105,503	105,165	0.3

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Year ended 31 March 2019	Year ended 31 March 2018
	HK$'000	HK$'000
Ordinary	108,345	115,845
Preference	N/A	N/A
Total:	108,345	115,845

17. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If not IPT mandate has been obtained, a statement to that effect.

The Company does not have a Shareholders' Mandate for IPTs.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the prescribed format. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative to a director, chief executive officer or substantial shareholder of the Company.

19. Confirmation By the Company Pursuant to Rule 720(1) of the Listing Rules of Singapore Exchange Securities Trading Limited

The Company confirms that it has procured undertakings from all its Directors and Executive Officers pursuant to Rule 720(1) of the Listing Rules of the SGX-ST.

For and on behalf of the Board of Directors of
Valuetronics Holdings Limited

Tse Chong Hing
Chairman and Managing Director
29 May 2019

Chow Kok Kit
Executive Director