

VALUETRONICS HOLDINGS LIMITED

(Incorporated in Bermuda)
(Co. Reg. No: 38813)

THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 DECEMBER 2014

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 Statement of Profit or Loss for the period ended 31 December 2014

	The Group			The Group		
	9 months ended 31 December			3 months ended 31 December		
	2014	2013	Change	2014	2013	Change
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Revenue	1,850,465	1,820,058	1.7	596,217	576,801	3.4
Cost of sales	(1,604,506)	(1,578,809)	1.6	(512,515)	(498,423)	2.8
Gross profit	245,959	241,249	2.0	83,702	78,378	6.8
Other income	11,991	8,926	34.3	5,393	2,634	104.7
Selling and distribution costs	(28,200)	(30,882)	-8.7	(8,597)	(8,499)	1.2
Administrative expenses	(105,410)	(92,886)	13.5	(35,319)	(32,180)	9.8
Net other operating gains/(losses)	744	75	892.0	(194)	-	NM
Profit from operations	125,084	126,482	-1.1	44,985	40,333	11.5
Finance costs	(702)	(494)	42.1	(226)	(208)	8.7
Profit before tax	124,382	125,988	-1.3	44,759	40,125	11.5
Income tax expense	(15,001)	(17,556)	-14.6	(5,553)	(4,594)	20.9
Profit for the period	109,381	108,432	0.9	39,206	35,531	10.3
Attributable to:						
Owners of the Company	109,381	108,432	0.9	39,206	35,531	10.3

Note :

NM : Not meaningful

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2014

	The Group			The Group		
	9 months ended 31 December			3 months ended 31 December		
	2014	2013	Change	2014	2013	Change
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Profit for the period	109,381	108,432	0.9	39,206	35,531	10.3
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on translating foreign operations *	(1,555)	4,586	-133.9	-	1,692	NM
Other comprehensive income for the period, net of tax	(1,555)	4,586	-133.9	-	1,692	NM
Total comprehensive income for the period	107,826	113,018	-4.6	39,206	37,223	5.3
Attributable to:						
Owners of the Company	107,826	113,018	-4.6	39,206	37,223	5.3

Note:

*: Representing exchange differences on translating the Group's PRC subsidiaries reporting currency in Renminbi (depreciation of Renminbi against Hong Kong Dollar in 9 months ended 31 December 2014 as compared to appreciation of Renminbi against Hong Kong Dollar in 9 months ended 31 December 2013)

NM : Not meaningful

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

	The Group		The Group	
	9 months ended 31 December		3 months ended 31 December	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation	28,249	29,946	9,730	9,445
Amortisation of land use rights	373	373	125	125
Gains on disposals of property, plant and equipment	(162)	(350)	(39)	(12)
Interest income	(2,394)	(1,138)	(917)	(412)
Bank charges	702	494	226	208
Net exchange gains	(3,404)	(1,435)	(1,623)	(54)
Net fair value (gains)/ losses on derivative financial instruments (Note 1)	(744)	(75)	194	-

Note 1: The Group entered into certain foreign exchange forward contracts to hedge against its exposure to Renminbi (last period: Renminbi and Singapore Dollar) during the period. The net fair value gains on derivative financial instruments represented the unrealised gains and mark-to-market values of these contracts as at period end date.

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 December 2014

	The Group		The Company	
	At 31.12.2014	At 31.3.2014	At 31.12.2014	At 31.3.2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
ASSETS				
Non-current assets				
Land use rights	20,403	20,941	-	-
Property, plant and equipment	175,887	181,681	-	-
Investments in subsidiaries	-	-	83,330	83,330
Available-for-sale financial assets	7,949	11,789	-	-
Club membership, at cost	254	256	-	-
Total non-current assets	204,493	214,667	83,330	83,330
Current assets				
Inventories	281,597	198,874	-	-
Trade receivables	571,219	517,213	-	-
Land use rights	499	503	-	-
Prepayments, deposits and other receivables	12,887	12,340	174	175
Available-for-sale financial assets	3,810	-	-	-
Due from subsidiaries	-	-	140,221	209,885
Bank and cash balances	509,720	477,934	585	1,646
Total current assets	1,379,732	1,206,864	140,980	211,706
Total assets	1,584,225	1,421,531	224,310	295,036
EQUITY				
Share capital	37,473	36,838	37,473	36,838
Reserves	732,420	689,729	186,523	257,758
Equity attributable to owners of the Company	769,893	726,567	223,996	294,596
Total equity	769,893	726,567	223,996	294,596
LIABILITIES				
Non-current liabilities				
Deferred tax liabilities	2,627	2,627	-	-
Total non-current liabilities	2,627	2,627	-	-
Current liabilities				
Trade payables	440,092	354,022	-	-
Accruals, other payables and deposits received	333,195	314,060	314	440
Current tax liabilities	36,292	21,384	-	-
Derivative financial instruments	2,126	2,871	-	-
Total current liabilities	811,705	692,337	314	440
Total liabilities	814,332	694,964	314	440
Total equity and liabilities	1,584,225	1,421,531	224,310	295,036
Net current assets	568,027	514,527	140,666	211,266
Total assets less current liabilities	772,520	729,194	223,996	294,596

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 December 2014		As at 31 March 2014	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 31 December 2014		As at 31 March 2014	
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 period ended 31 December 2014

	The Group		The Group	
	9 months ended 31 December		3 months ended 31 December	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash flows from operating activities				
Cash generated from operations:				
Profit before tax	124,382	125,988	44,759	40,125
Adjustments for :				
Equity-settled share-based payments	3,462	2,973	1,341	1,245
Depreciation	28,249	29,946	9,730	9,445
Amortisation of land use rights	373	373	125	125
Gains on disposals of property, plant and equipment	(162)	(350)	(39)	(12)
Interest income	(2,394)	(1,138)	(917)	(412)
Net fair value (gains)/ losses on derivative financial instruments	(744)	(75)	194	-
Cash settlement for the Awards granted	(616)	(175)	-	-
Operating profit before working capital changes	152,550	157,542	55,193	50,516
Increase in inventories	(82,723)	(121,651)	(32,796)	(33,854)
(Increase)/decrease in trade receivables	(54,006)	(20,609)	51,614	125,356
(Increase)/decrease in prepayments, deposits and other receivables	(547)	(5,068)	6,585	899
Increase/(decrease) in trade payables	86,070	179,274	12,737	(45,528)
Increase in accruals, other payables and deposits received	19,135	33,219	4,136	18,148
Cash generated from operations	120,479	222,707	97,469	115,537
Income tax paid	(268)	(2,541)	-	(882)
Net cash generated from operating activities	120,211	220,166	97,469	114,655
Cash flows from investing activities				
Purchase of property, plant and equipment	(23,251)	(20,039)	(18,311)	(2,352)
Proceeds from disposals of property, plant and equipment	611	409	457	12
Proceeds from disposals of available-for-sale financial assets	-	2,476	-	-
Interest received	2,394	1,138	917	412
Net cash used in investing activities	(20,246)	(16,016)	(16,937)	(1,928)
Cash flows from financing activities				
Dividend paid	(74,618)	(29,215)	-	-
Proceeds from shares issued in exercise of share options	7,272	4,233	-	216
Net cash (used in)/generated from financing activities	(67,346)	(24,982)	-	216
Net increase in cash and cash equivalents	32,619	179,168	80,532	112,943
Effect of foreign exchange rate changes	(833)	1,648	(454)	720
Cash and cash equivalents at beginning of the period	477,934	221,579	429,642	288,732
Cash and cash equivalents at end of the period	509,720	402,395	509,720	402,395

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 period ended 31 December 2014

The Group	Attributable to the owners of the Company							
	Reserves							Total equity
	Share capital	Share premium	Share-based payment reserve	Translation reserve	Statutory reserve (Note)	Retained earnings	Total reserves	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 April 2014	36,838	102,011	5,655	27,327	2,461	552,275	689,729	726,567
Total comprehensive income for the period	-	-	-	(1,555)	-	109,381	107,826	107,826
Dividend paid	-	-	-	-	-	(74,618)	(74,618)	(74,618)
Issue of shares on exercise of share options	635	6,637	-	-	-	-	6,637	7,272
Transfer of share premium upon exercise of share options	-	2,600	(2,600)	-	-	-	-	-
Cash settlement for the Awards granted	-	-	(616)	-	-	-	(616)	(616)
Lapsed of share-based payments	-	-	(158)	-	-	158	-	-
Share-based payments	-	-	3,462	-	-	-	3,462	3,462
Changes in equity for the period	635	9,237	88	(1,555)	-	34,921	42,691	43,326
Balance at 31 December 2014	37,473	111,248	5,743	25,772	2,461	587,196	732,420	769,893
Balance at 1 April 2013	36,004	91,867	6,649	22,753	1,596	433,358	556,223	592,227
Total comprehensive income for the period	-	-	-	4,586	-	108,432	113,018	113,018
Dividend paid	-	-	-	-	-	(29,215)	(29,215)	(29,215)
Issue of shares on exercise of share options	535	5,491	(1,793)	-	-	-	3,698	4,233
Cash settlement for the Awards granted	-	-	(175)	-	-	-	(175)	(175)
Share-based payments	-	-	2,973	-	-	-	2,973	2,973
Lapsed of share-based payments	-	-	(1,092)	-	-	1,092	-	-
Changes in equity for the period	535	5,491	(87)	4,586	-	80,309	90,299	90,834
Balance at 31 December 2013	36,539	97,358	6,562	27,339	1,596	513,667	646,522	683,061

The Company	Reserves						Total equity
	Share capital	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
Balance at 1 April 2014	36,838	102,011	5,655	67,239	82,853	257,758	294,596
Total comprehensive income for the period	-	-	-	-	(6,100)	(6,100)	(6,100)
Dividend paid	-	-	-	-	(74,618)	(74,618)	(74,618)
Issue of shares on exercise of share options	635	6,637	-	-	-	6,637	7,272
Transfer to share premium upon exercise of share options	-	2,600	(2,600)	-	-	-	-
Cash settlement for the Awards granted	-	-	(616)	-	-	(616)	(616)
Lapsed of share-based payments	-	-	(158)	-	158	-	-
Share-based payments	-	-	3,462	-	-	3,462	3,462
Changes in equity for the period	635	9,237	88	-	(80,560)	(71,235)	(70,600)
Balance at 31 December 2014	37,473	111,248	5,743	67,239	2,293	186,523	223,996
Balance at 1 April 2013	36,004	91,867	6,649	67,239	31,046	196,801	232,805
Total comprehensive income for the period	-	-	-	-	(5,055)	(5,055)	(5,055)
Dividend paid	-	-	-	-	(29,215)	(29,215)	(29,215)
Issue of shares on exercise of share options	535	5,491	(1,793)	-	-	3,698	4,233
Cash settlement for the Awards granted	-	-	(175)	-	-	(175)	(175)
Share-based payments	-	-	2,973	-	-	2,973	2,973
Lapsed of share-based payments	-	-	(1,092)	-	1,092	-	-
Changes in equity for the period	535	5,491	(87)	-	(33,178)	(27,774)	(27,239)
Balance at 31 December 2013	36,539	97,358	6,562	67,239	(2,132)	169,027	205,566

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 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.

Refer to 1(d)(iii) for the movement of share capital.

SHARE OPTIONS

As at 31 December 2014, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2014	Additions	Share options exercised	Lapsed	Balance as at 31.12.2014
(a) Incentive Options (Note 1)	S\$0.150	850,000	-	(850,000)	-	-
	S\$0.160	50,000	-	(50,000)	-	-
	S\$0.174	2,712,500	-	(2,250,000)	-	462,500
	S\$0.201	4,800,000	-	(2,600,000)	-	2,200,000
	S\$0.162	5,100,000	-	-	(50,000)	5,050,000
	S\$0.406	-	6,000,000	-	-	6,000,000
(b) Market Options (Note 2)	S\$0.215	200,000	-	(200,000)	-	-
	S\$0.184	400,000	-	(400,000)	-	-
Total		14,112,500	6,000,000	(6,350,000)	(50,000)	13,712,500

As at 31 December 2013, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2013	Additions	Share options exercised	Lapsed	Balance as at 31.12.2013
(a) Incentive Options (Note 1)	S\$0.144	1,200,000	-	(1,200,000)	-	-
	S\$0.105	2,500,000	-	(2,500,000)	-	-
	S\$0.150	2,400,000	-	(1,200,000)	-	1,200,000
	S\$0.160	1,150,000	-	(250,000)	-	900,000
	S\$0.174	4,900,000	-	(200,000)	(200,000)	4,500,000
	S\$0.201	5,400,000	-	-	(600,000)	4,800,000
	S\$0.162	-	5,500,000	-	(400,000)	5,100,000
(b) Market Options (Note 2)	S\$0.215	200,000	-	-	-	200,000
	S\$0.184	400,000	-	-	-	400,000
Total		18,150,000	5,500,000	(5,350,000)	(1,200,000)	17,100,000

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.

PERFORMANCE SHARE PLAN

As at 31 December 2014, the Company has the following outstanding Performance Shares:

Date of grant	Outstanding at 31.3.2014	Granted	Awarded	Lapsed	Outstanding at 31.12.2014
15 August 2013	700,000	-	(588,000)	(112,000)	-
Total	700,000	-	(588,000)	(112,000)	-

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 (excluding treasury shares)

As at 31 March 2014	368,376,250
Issuance and allotment of shares pursuant to:	
- Employee Share Option Scheme on 29 May 2014	600,000
- Employee Share Option Scheme on 22 July 2014	4,112,500
- Employee Share Option Scheme on 18 Aug 2014	1,637,500
As at 31 December 2014	<u>374,726,250</u>

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.

The Group has applied the same 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 2014. The adoption of the new and revised IFRSs, which are effective for the financial period beginning on 1 April 2014, did not result in significant changes to the Group's accounting policies or have any material impact on the Group's and the Company's financial statements.

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.

Not applicable

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	
	9 months ended 31 December 2014	9 months ended 31 December 2013
Earnings per ordinary share based on the net profit for the period		
(a) Based on weighted average number of ordinary shares on issue; and	HK 29.4 cents	HK 29.9 cents
(b) On a fully diluted basis	HK 29.3 cents	HK 29.8 cents
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	372,097,114	363,229,841
Effect of potentially dilutive ordinary shares – Share options	660,593	498,085
Weighted average number of ordinary shares for the purpose of diluted earnings per share	372,757,707	363,727,926

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	
	31.12.2014	31.03.2014	31.12.2014	31.03.2014
	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:	205.5	197.2	59.8	80.0
Number of ordinary shares in issue excluding treasury shares	374,726,250	368,376,250	374,726,250	368,376,250

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 one of the preferred choices 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”) and industrial and commercial electronics products (“Industrial and Commercial Electronics”).

Review – 3 months ended 31 December 2014 (“Q3 FY2015”) vs 3 months ended 31 December 2013 (“Q3 FY2014”)**Revenue**

Revenue increased by 3.4% or HK\$19.4 million from HK\$576.8 million in Q3 FY2014 to HK\$596.2 million in Q3 FY2015.

Industrial and Commercial Electronics revenue increased by 23.0% to HK\$235.0 million (Q3 FY2014: HK\$191.1 million). Such increase was mainly contributed by the increase in demand from some of our Industrial and Commercial Electronics customers and a new customer within this segment.

Consumer Electronics revenue decreased by 6.4% to HK\$361.2 million (Q3 FY2014: HK\$385.7 million), which was mainly due to the slowdown in demand from our Consumer Electronics customer in the LED lighting business.

Gross profit and gross profit margin

Gross profit increased by 6.8% to HK\$83.7 million (Q3 FY2014: HK\$78.4 million) and gross profit margin improved to 14.0% (Q3 FY2014: 13.6%). Such change in gross profit margin was mainly due to the change in product sales mix during the period.

Other income

Other income increased by 104.7% to HK\$5.4 million. Such increase was mainly due to the increase in net exchange gain and interest received.

Selling and distribution costs

Selling and distribution costs were HK\$8.6 million (Q3 FY2014: HK\$8.5 million).

Administrative expenses

Administrative expenses increased by 9.8% to HK\$35.3 million. Such increase was mainly due to the increase in PRC staff costs.

Profit for the period

As a result of the above, the net profit for the period increased by 10.3% to HK\$39.2 million. (Q3 FY2014: HK\$35.5 million).

Review – 9 months ended 31 December 2014 (“9 months FY2015”) vs 9 months ended 31 December 2013 (“9 months FY2014”)**Revenue**

Revenue increased by 1.7% or HK\$30.4 million from HK\$1,820.1 million in 9 months FY2014 to HK\$1,850.5 million in 9 months FY2015.

Industrial and Commercial Electronics revenue increased by 27.8% to HK\$702.3 million (9 months FY2014: HK\$549.4 million), which was mainly due to the increase in demand from some of our Industrial and Commercial Electronics customers and a new customer within this segment.

Consumer Electronics revenue decreased by 9.6% to HK\$1,148.2 million (9 months FY2014: HK\$1,270.7 million), mainly contributed by the slowdown in demand from some of our Consumer Electronics customers.

Gross profit and gross profit margin

Gross profit increased by 2.0% to HK\$246.0 million and gross profit margin remained stable at 13.3% (9 months FY2014: 13.3%).

Other income

Other income increased by 34.3% to HK\$12.0 million. Such increase was mainly due to the increase in net exchange gain and interest received.

Selling and distribution costs

Selling and distribution costs decreased by 8.7% to HK\$28.2 million. Such decrease was mainly due to strict control in marketing expenses.

Administrative expenses

Administrative expenses increased by 13.5% to HK\$105.4 million. Such increase was mainly due to the increase in PRC staff costs.

Profit for the period

As a result of the above, the net profit for the period increased by 0.9% to HK\$109.4 million. (9 months FY2014: HK\$108.4 million)

Financial position and cash flows

As at 31 December 2014, the Group had net current assets of HK\$568.0 million (31 March 2014: HK\$514.5 million), total assets of HK\$1,584.2 million (31 March 2014: HK\$1,421.5 million) and shareholders' funds of HK\$769.9 million (31 March 2014: HK\$726.6 million).

The Group's trade receivables increased by HK\$54.0 million from HK\$517.2 million as at 31 March 2014 to HK\$571.2 million as at 31 December 2014. The Group's trade payables increased by HK\$86.1 million from HK\$354.0 million as at 31 March 2014 to HK\$440.1 million as at 31 December 2014. The Group's inventories increased by HK\$82.7 million from HK\$198.9 million as at 31 March 2014 to HK\$281.6 million as at 31 December 2014 to prepare for the long Chinese New Year break in the PRC.

The working capital of the Group as at 31 December 2014, which is the sum of trade receivables and inventories less trade payables, was HK\$412.7 million (31 March 2014: HK\$362.1 million).

During the period, the Group acquired three units of industrial properties of approximately 1,000 square feet each in the same building where our Hong Kong office and warehouse are located, amounting to an aggregate of HK\$14.8 million. These acquisitions were financed through internal resources and are intended for the Group's future expansion. These three units are under short term lease to separate unrelated third parties.

As at 31 December 2014, cash and cash equivalents increased to HK\$509.7 million owing to better working capital management (31 March 2014: HK\$477.9 million). Over 85% of its cash and cash equivalents were placed in reputable financial institutions in Hong Kong. The Group had no bank borrowings as at 31 December 2014 (31 March 2014: Nil).

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.

Despite the challenging business conditions in the LED lighting business within the Consumer Electronics ("CE") segment, the Group achieved 10.3% growth in profit for Q3 FY2015. As a consequence, the Group posted comparable results for the 9 months FY2015 versus the 9 months FY2014.

Customers in CE segment continued their aggressive pricing strategies in introducing lower priced products and such trend is not likely be reversed in the near future. Meanwhile, the Group continued to benefit from the strong growth from our Industrial and Commercial Electronics ("ICE") customer portfolio. One of our newly added ICE customers continues its supplier consolidation program and we foresee it will bring further opportunities for the Group.

To mitigate margin erosion in the CE segment further affecting the Group's overall performance, Valuetronics will stay alert amidst fast changing trends and proactively manage our reliance on this segment. Group-wide, we will continue to remain vigilant in monitoring market developments, continuing our efforts in improving our fundamentals, which include our design and development capabilities, production efficiencies and inventory management.

Barring unforeseen circumstances the directors expect the Group to remain profitable for the financial year ending 31 March 2015.

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/recommendeded, a statement to that effect.

No dividend has been declared / recommended for Q3 FY2015.

- 13. 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.

- 14. Confirmation By Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST**

We, Tse Chong Hing and Chow Kok Kit, being two of the 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 financial results for the period ended 31 December 2014 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
10 February 2015

Chow Kok Kit
Executive Director