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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Willas-Array Electronics (Holdings) Limited, you should at once hand this Circular and the accompanying form of proxy to the purchaser or transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**WILLAS-ARRAY**  
**WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED**  
**威雅利電子(集團)有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Hong Kong stock code: 854)**  
**(Singapore stock code: BDR)**

**CIRCULAR TO SHAREHOLDERS  
RELATING TO PROPOSALS IN RELATION TO:**

- (A) RE-ELECTION OF RETIRING DIRECTORS;**
- (B) GENERAL MANDATE TO ISSUE SHARES;**
- (C) RENEWAL OF SHARE BUYBACK MANDATE; AND**
- (D) FINAL DIVIDEND**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

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*Capitalised terms used in this Circular hereafter shall have the same meanings as ascribed to them in the section headed "Definitions" of this Circular.*

The notice convening the 2017 AGM of Willas-Array Electronics (Holdings) Limited to be held at Mandarin Orchard Singapore, Grange Ballroom, Level 5, Main Tower, 333 Orchard Road, Singapore 238867 on Friday, July 28, 2017 at 9.30 a.m. or its adjournment (if any) at which the above proposals will be considered is set out on pages 34 to 41 of this Circular. If you are unable to attend the 2017 AGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to (i) the Company's share transfer agent in Singapore, Intertrust Singapore Corporate Services Pte. Ltd. at 77 Robinson Road, #13-00 Robinson 77, Singapore 068896 (for Shareholders in Singapore); or (ii) the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong (for Shareholders in Hong Kong), as soon as possible but in any event no later than 48 hours before the time appointed for holding the 2017 AGM or its adjournment (if any). Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2017 AGM or its adjournment (if any) should you so wish. Any appointment of proxy shall be deemed to be revoked should you attend the 2017 AGM or its adjournment (if any) in person.

June 27, 2017

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*This Circular is prepared in English and translated into Chinese. In the event of inconsistency, the English text of this Circular will prevail.*

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## DEFINITIONS

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*In this Circular and its appendices, unless otherwise defined or the context otherwise requires, the following expressions have the following respective meanings:*

“2016 AGM”	the AGM held on Friday, July 29, 2016;
“2017 AGM”	the AGM to be held on Friday, July 28, 2017, the notice of which is set out on pages 34 to 41 of this Circular, and its adjournment (if any);
“AGM”	the annual general meeting of the Company;
“Associate”	<p>(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <ul style="list-style-type: none"><li>(i) his immediate family (that is, the person’s spouse, child, adopted child, step-child, sibling and parent);</li><li>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</li><li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and</li></ul> <p>(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company (as defined in the Singapore Companies Act) or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;</p>
“Average Closing Price”	has the meaning ascribed to it in paragraph 3.4 of Appendix II to this Circular;
“Bermuda Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or modified from time to time;
“Board”	the board of Directors;

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## DEFINITIONS

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“Bye-Laws”	the bye-laws of the Company, as amended, supplemented or modified from time to time;
“Circular”	this circular dated June 27, 2017;
“close associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“Company”	Willas-Array Electronics (Holdings) Limited (威雅利電子(集團)有限公司), a company incorporated in Bermuda with limited liability whose issued Shares are listed and traded on the Main Board of the Hong Kong Stock Exchange (stock code: 854) and the Main Board of the SGX-ST (stock code: BDR);
“concert parties”	has the meaning ascribed to it in paragraph 8.2 of Appendix II to this Circular;
“control”	the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
“Controlling Shareholder(s)”	has the meaning ascribed to it in the SGX-ST Listing Manual and means a person who:  (a) holds, directly or indirectly, 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company, unless the SGX-ST determines otherwise; or  (b) in fact exercises control over the Company;
“core connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“day of the making of the offer”	has the meaning ascribed to it in paragraph 3.4 of Appendix II to this Circular;
“Director(s)”	the director(s) of the Company;
“EPS”	earnings per Share;
“ESOS II”	the Willas-Array Electronics Employee Share Option Scheme II;

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## DEFINITIONS

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“ESOS II Options”	the options granted under the ESOS II;
“FY2017”	the financial year ended March 31, 2017;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Companies Ordinance”	the Companies Ordinance (Chapter 622 of the laws of Hong Kong), as amended, supplemented or modified from time to time;
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or modified from time to time;
“Hong Kong Share Buy-backs Code”	the Hong Kong Code on Share Buy-backs, as amended, supplemented or modified from time to time;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Hong Kong Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended, supplemented or modified from time to time;
“Issue Mandate”	the general and unconditional mandate granted or to be granted (as the case may be) by the Shareholders to authorise the Directors to exercise all the powers of the Company to allot and issue new Shares in the Company in accordance with the limits set out in the relevant Shareholders’ resolution approving such mandate. Please refer to the notice of the 2017 AGM for details of the Issue Mandate to be proposed for Shareholders’ approval at the 2017 AGM;
“Latest Practicable Date”	June 16, 2017, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein;
“Market Day”	a day on which the SGX-ST or the Hong Kong Stock Exchange is open for trading in securities;

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## DEFINITIONS

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“Maximum Price”	has the meaning ascribed to it in paragraph 3.4 of Appendix II to this Circular;
“Memorandum”	the Memorandum of Association of the Company as amended, supplemented or modified from time to time;
“Nomination Committee”	the nomination committee of the Board;
“NTA”	net tangible assets;
“Off-Market Purchase”	has the meaning ascribed to it in paragraph 3.3 of Appendix II to this Circular;
“On-Market Purchase”	has the meaning ascribed to it in paragraph 3.3 of Appendix II to this Circular;
“Relevant Period”	the period commencing from the 2016 AGM (being the date of the AGM immediately prior to the 2017 AGM) and expiring on the date on which the next AGM (immediately following the 2017 AGM) is held or is required by law or by the Bye-Laws to be held, whichever is earlier;
“Remuneration Committee”	the remuneration committee of the Board;
“Retiring Directors”	Mr. Leung Chun Wah and Mr. Kwok Chan Cheung, who, being the Directors retiring at the 2017 AGM and, being eligible, are offering themselves for re-election at the 2017 AGM, in accordance with the Bye-Laws;
“Securities Account”	a securities account maintained by a depositor with The Central Depository (Pte) Limited but does not include a securities sub-account maintained with a depository agent;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) as amended, supplemented or modified from time to time;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“SGX-ST Listing Manual”	the Main Board rules of the listing manual of the SGX-ST, as amended, supplemented or modified from time to time;

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of par value of HK\$1.00 each in the capital of the Company;
“Share Buyback Mandate”	the general and unconditional mandate authorising the purchase or acquisition by the Company of Shares on the SGX-ST or the Hong Kong Stock Exchange in accordance with the limits set out in the relevant Shareholders’ resolution approving such mandate. Please refer to Appendix II to this Circular for details of the Share Buyback Mandate to be proposed for Shareholders’ approval at the 2017 AGM;
“Shareholder(s)”	holder(s) of the Share(s);
“Singapore Companies Act”	the Companies Act (Chapter 50 of Singapore), as amended, supplemented or modified from time to time;
“Singapore Share Transfer Agent”	the Company’s share transfer agent in Singapore, Intertrust Singapore Corporate Services Pte. Ltd.;
“Singapore Take-over Code”	the Singapore Code on Take-overs and Mergers, as amended, supplemented or modified from time to time;
“subsidiary”	a company which is for the time being and from time to time a subsidiary of the Company (within the meaning of the Singapore Companies Act, the Hong Kong Listing Rules and the Hong Kong Companies Ordinance);
“subsidiary holdings”	has the meaning ascribed to it under the SGX-ST Listing Manual;
“Substantial Shareholder”	a Shareholder who has an interest in 5% or more of the voting shares of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“S\$”	Singapore dollars, the lawful currency of Singapore; and
“%”	per cent. or percentage.

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## DEFINITIONS

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*The terms “depositor” and “depository agent” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289 of Singapore) in force as at the Latest Practicable Date.*

*Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.*

*The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.*

*Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any laws and regulations referred to or the provisions thereof incorporated in this Circular, including the Bermuda Companies Act, the Hong Kong Companies Ordinance and the Singapore Companies Act, are the laws and regulations in force as at the Latest Practicable Date. Any term defined in the SGX-ST Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the SGX-ST Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.*

*Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

*Any reference to a time of day in this Circular shall be a reference to Singapore time and Hong Kong time unless otherwise stated.*



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LETTER FROM THE BOARD

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**WILLAS-ARRAY**  
**WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED**  
**威雅利電子(集團)有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Hong Kong stock code: 854)**  
**(Singapore stock code: BDR)**

*Executive Directors:*

Leung Chun Wah (*Chairman*)  
Kwok Chan Cheung (*Deputy Chairman*)  
Hon Kar Chun (*Managing Director*)  
Leung Hon Shing

*Registered office:*

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Independent Non-executive Directors:*

Jovenal R. Santiago  
Wong Kwan Seng, Robert  
Iu Po Chan, Eugene

*Head office and principal place of business:*

24/F, Wyler Centre, Phase 2  
200 Tai Lin Pai Road  
Kwai Chung, New Territories  
Hong Kong

June 27, 2017

*To the Shareholders*

Dear Sir and Madam

**PROPOSALS IN RELATION TO:**

- (A) RE-ELECTION OF RETIRING DIRECTORS;**
- (B) GENERAL MANDATE TO ISSUE SHARES;**
- (C) RENEWAL OF SHARE BUYBACK MANDATE; AND**
- (D) FINAL DIVIDEND**

**INTRODUCTION**

The Company will propose at the 2017 AGM, resolutions in relation to, among other matters, (i) the re-election of the Retiring Directors; (ii) the grant to the Directors of the Issue Mandate upon the expiry of the current Issue Mandate which was approved by Shareholders at the 2016 AGM; (iii) the renewal of the Share Buyback Mandate upon the expiry of the existing Share Buyback Mandate which was approved by Shareholders at the 2016 AGM; and (iv) the declaration of a final dividend.

The purpose of this Circular is to provide you with further information on the above resolutions to be proposed at the 2017 AGM.

The notice of the 2017 AGM at which the resolutions will be proposed for Shareholders to consider and, if thought fit, approve, is also set out on pages 34 to 41 of this Circular.

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## LETTER FROM THE BOARD

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### PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with bye-law 104 of the Bye-Laws, Mr. Leung Chun Wah and Mr. Kwok Chan Cheung, both executive Directors, will retire by rotation at the 2017 AGM and, being eligible, have offered themselves for re-election at the 2017 AGM.

The Nomination Committee has evaluated the performance of the Retiring Directors for FY2017 and found the performance of each of the Retiring Directors satisfactory. In addition, with the nomination of the Nomination Committee, the Board has recommended that both the Retiring Directors, namely Mr. Leung Chun Wah and Mr. Kwok Chan Cheung, stand for re-election as Directors at the 2017 AGM. As a good corporate governance practice, each of the above Retiring Directors abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders.

The biographical information on each of Mr. Leung Chun Wah and Mr. Kwok Chan Cheung as required to be disclosed under the Hong Kong Listing Rules is set out in Appendix I to this Circular.

### PROPOSED GRANT OF GENERAL MANDATE TO ISSUE SHARES

At the 2016 AGM, Shareholders approved an Issue Mandate authorising the Directors to issue and allot new Shares, subject to the terms thereof. The Issue Mandate will lapse at the conclusion of the 2017 AGM.

At the 2017 AGM, an ordinary resolution will be proposed to grant a new Issue Mandate authorising the Directors to allot and issue such number of new Shares not exceeding 50% of the total number of Shares in issue (excluding any treasury shares or subsidiary holdings) as at the date of passing the resolution approving the Issue Mandate, and in the case of an allotment and issue of Shares other than on a pro-rata basis to the existing Shareholders, such number shall not exceed 10% of the total number of Shares in issue (excluding any treasury shares or subsidiary holdings) as at the date of passing the resolution approving the Issue Mandate. The Issue Mandate will provide flexibility to the Company to raise funds through the issue of Shares efficiently.

Based on 75,505,960 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or no Shares will be purchased or acquired and cancelled by the Company after the Latest Practicable Date and up to the date of the 2017 AGM, if the Issue Mandate is exercised in full, it will result in the Directors being authorised to issue, allot and deal with a maximum of 37,752,980 Shares, and in the case of an allotment and issue other than on a pro-rata basis to the existing Shareholders, with a maximum of 7,550,596 Shares.

The new Issue Mandate will, if granted, remain in effect until the earliest of (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required by the laws or regulations of Bermuda or the Bye-Laws to be held; and (iii) the date on which the authority set out in the resolution approving the Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

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## LETTER FROM THE BOARD

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### PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

At the 2016 AGM, Shareholders approved a Share Buyback Mandate authorising the Directors to purchase or otherwise acquire Shares, subject to the terms thereof. The Share Buyback Mandate will lapse on the conclusion of the 2017 AGM.

The Company therefore proposes to renew the Share Buyback Mandate at the 2017 AGM. At the 2017 AGM, an ordinary resolution will be proposed to renew the Share Buyback Mandate, authorising the Directors to purchase or acquire up to the number of issued Shares representing not more than 10% of the total number of Shares in issue as at the date of the 2017 AGM at which the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction, consolidation or sub-division of its issued and unissued Shares in accordance with the applicable provisions under the Bermuda Companies Act, in which event the total number of the issued Shares shall be taken to be the total number of the issued Shares as altered by the reduction, consolidation or subdivision of Shares (as the case may be). Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for the purposes of computing the 10% limit. As at the Latest Practicable Date, the Company does not have any treasury shares or subsidiary holdings.

An explanatory statement as required under the Hong Kong Listing Rules as well as the information required under the SGX-ST Listing Manual concerning the Share Buyback Mandate are set out in Appendix II to this Circular.

### PROPOSED FINAL DIVIDEND

The Board recommends to distribute a final dividend of HK\$0.31 (2016: nil) per Share for FY2017 which is subject to Shareholders' approval at the 2017 AGM and is expected to be distributed on August 25, 2017 to Shareholders whose names appear on the register of members of the Company (the "Register of Members") at the close of business on August 14, 2017.

For the purpose of determining the identity of the Shareholders for the dividend entitlement, for Hong Kong Shareholders, the Hong Kong branch Register of Members will be closed from August 15, 2017 to August 17, 2017, both days inclusive. During this period, no transfer of Shares will be registered. In order to qualify for the final dividend, Hong Kong Shareholders must lodge all transfer documents accompanied by the relevant share certificates for registration with the Company's Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on August 14, 2017.

For Singapore Shareholders, the share transfer books and the Singapore branch Register of Members will be closed at 5:00 p.m. on August 14, 2017. Duly completed registrable transfers of shares received by the Company's share transfer agent, Intertrust Singapore Corporate Services Pte. Ltd. of 77 Robinson Road, #13-00 Robinson 77, Singapore 068896, up to 5:00 p.m. on August 14, 2017 will be registered to determine Singapore Shareholders' entitlements to the proposed final dividend. Singapore Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares as at 5:00 p.m. on August 14, 2017 will be entitled to the proposed final dividend.

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## LETTER FROM THE BOARD

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Any transfer of the Shares between the branch Registers of Members in Singapore and Hong Kong by way of deregistration from one branch Register of Members and registration on the other branch Register of Members has to be made not later than 4.30 p.m. on August 4, 2017 for Hong Kong Shareholders and not later than 5.00 p.m. on August 4, 2017 for Singapore Shareholders. Shareholders who hold their Shares on the Hong Kong branch Register of Members will receive their final dividend payment in Hong Kong dollars, while Shareholders who hold their Shares on the Singapore branch Register of Members will receive their final dividend payment in Singapore dollars.

### ANNUAL GENERAL MEETING

The notice convening the 2017 AGM, which contains, among other things, the ordinary resolutions relating to the proposed re-election of the Retiring Directors, the proposed grant of the Issue Mandate, the proposed renewal of the Share Buyback Mandate and the proposed declaration of a final dividend is set out on pages 34 to 41 of this Circular.

A form of proxy for use in connection with the 2017 AGM is enclosed. If you are unable to attend the 2017 AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to (i) the Singapore Share Transfer Agent, Intertrust Singapore Corporate Services Pte. Ltd. at 77 Robinson Road, #13-00 Robinson 77, Singapore 068896 (for Shareholders in Singapore); or (ii) the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong (for Shareholders in Hong Kong), as soon as possible but in any event no later than 48 hours before the time fixed for holding the 2017 AGM or its adjournment (if any). Completion of the form of proxy and its return to the Company will not preclude you from attending and voting in person at the 2017 AGM or its adjournment (if any) if you so wish. Any appointment of proxy shall be deemed to be revoked should you attend the 2017 AGM or its adjournment (if any) in person.

Pursuant to bye-law 73 of the Bye-Laws, a resolution put to the vote of the general meeting shall be voted on by a show of hands unless a poll is required by the rules of the designated stock exchange (which means, for the time being, the SGX-ST and the Hong Kong Stock Exchange on which the Shares are listed and quoted/traded) or a poll is duly demanded as provided therein.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Pursuant to Rule 730A(2) of the SGX-ST Listing Manual, all resolutions at general meetings of the Company shall be voted by poll. Accordingly, each of the resolutions set out in the notice of the 2017 AGM will be put to vote by way of a poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules and Rule 704(16) of the SGX-ST Listing Manual.

## LETTER FROM THE BOARD

### INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders and the Register of Members maintained by the Company, the interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date (which would reflect their interests as at the date of the 2017 AGM, assuming their interests do not change between the Latest Practicable Date and the date of the 2017 AGM), as well as following the exercise of the Share Buyback Mandate, assuming that (a) the Company purchases the maximum amount of 10% of the total number of the issued Shares (the Company does not have any treasury shares or subsidiary holdings) permitted under the Share Buyback Mandate; (b) there is no change in the number of Shares in which the Directors and the Substantial Shareholders have an interest; and (c) the Company does not issue any Shares pursuant to the Issue Mandate or the exercise of the ESOS II Options, are as set out below:

Name	As at the Latest Practicable Date (Number of Shares)			As at the Latest Practicable Date	After Share Buyback
	Direct Interest	Deemed Interest	Total Interest	(%) <sup>(1)</sup>	(%) <sup>(2)</sup>
<b>Directors</b>					
Leung Chun Wah <sup>(3)</sup>	820,300	18,831,770	19,652,070	26.03	28.92
Kwok Chan Cheung <sup>(4)</sup>	34,000	7,895,554	7,929,554	10.50	11.67
Hon Kar Chun	292,800	–	292,800	0.39	0.43
Leung Hon Shing	249,840	–	249,840	0.33	0.37
Jovenal R. Santiago	–	–	–	–	–
Wong Kwan Seng, Robert	–	–	–	–	–
Iu Po Chan, Eugene	–	–	–	–	–
<b>Substantial Shareholders (excluding those who are also Directors)</b>					
Global Success International Limited	7,895,554	–	7,895,554	10.46	11.62
Max Power Assets Limited	18,099,830	–	18,099,830	23.97	26.63
Cheng Wai Yin, Susana <sup>(5)</sup>	731,940	18,906,130	19,638,070	26.01	28.90
Lee Woon Nin <sup>(6)</sup>	–	18,099,830	18,099,830	23.97	26.63
HSBC International Trustee Limited <sup>(7)</sup>	–	18,099,830	18,099,830	23.97	26.63
HSBC Private Banking Holdings (Suisse) SA <sup>(8)</sup>	–	18,099,830	18,099,830	23.97	26.63
HSBC Finance (Netherlands) BV <sup>(8)</sup>	–	18,099,830	18,099,830	23.97	26.63
HSBC Holdings Plc <sup>(8)</sup>	–	18,099,830	18,099,830	23.97	26.63
Hung Yuk Choy	5,286,918	–	5,286,918	7.00	7.78
Yeo Seng Chong <sup>(9)</sup>	300,000	6,949,904	7,249,904	9.60	10.67
Lim Mee Hwa <sup>(9)</sup>	500,000	6,749,904	7,249,904	9.60	10.67
Yeoman Capital Management Pte Ltd <sup>(10)</sup>	75,000	6,374,904	6,449,904	8.54	9.49
Yeoman 3-Rights Value Asia Fund <sup>(11)</sup>	6,249,904	–	6,249,904	8.28	9.20

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## LETTER FROM THE BOARD

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*Notes:*

- (1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, being 75,505,960 Shares. The Company does not have any treasury shares or subsidiary holdings as at the Latest Practicable Date.
- (2) As a percentage of the total number of issued Shares of 67,955,364 Shares (assuming that the Company purchases and cancels the maximum number of 7,550,596 Shares under the Share Buyback Mandate).
- (3) Leung Chun Wah has a direct interest in 820,300 Shares and is deemed to be interested in the Shares in which Max Power Assets Limited has a direct interest, the 18,099,830 Shares held through HSBC Private Bank (Suisse) SA Nassau Client Account, and the 731,940 Shares in which his spouse, Cheng Wai Yin, Susana has a direct interest.
- (4) Kwok Chan Cheung has a direct interest in 34,000 Shares and is deemed to be interested in the Shares in which Global Success International Limited has a direct interest.
- (5) Cheng Wai Yin, Susana has a direct interest in 731,940 Shares and is deemed to be interested in the 18,906,130 Shares in which her spouse, Leung Chun Wah, has direct and deemed interests.
- (6) Lee Woon Nin is deemed to be interested in the Shares in which Max Power Assets Limited has a direct interest.
- (7) HSBC International Trustee Limited is deemed to be interested in the Shares in which Max Power Assets Limited has a direct interest.
- (8) HSBC Private Banking Holdings (Suisse) SA, HSBC Finance (Netherlands) BV, and HSBC Holdings Plc are each deemed to be interested in the Shares in which HSBC International Trustee Limited has an interest, as HSBC International Trustee Limited is a wholly-owned subsidiary of HSBC Private Banking Holdings (Suisse) SA, which is a wholly-owned subsidiary of HSBC Finance (Netherlands) BV, which is a wholly-owned subsidiary of HSBC Holdings Plc.
- (9) Yeo Seng Chong owns Shares directly in his own name and his spouse, Lim Mee Hwa owns Shares directly in her own name. Both own equally of fund manager, Yeoman Capital Management Pte Ltd (“YCMPL”) and therefore control YCMPL. YCMPL in turn controls its own direct shareholding in the Company as well as its deemed interests through its clients’ direct shareholdings in the Company.
- (10) YCMPL owns Shares directly in its own name and also controls its deemed interests through its clients’ direct shareholdings in the Company. The clients of YCMPL are Yeoman 3-Rights Value Asia Fund and Yeoman Client 1.
- (11) Yeoman 3-Rights Value Asia Fund owns Shares directly in its own name.

### **DIRECTORS’ RECOMMENDATIONS**

Save for each of Mr. Leung Chun Wah and Mr. Kwok Chan Cheung who abstains from making a recommendation on the respective ordinary resolutions 4 to 5 set out in the notice convening the 2017 AGM relating to his own re-election as a Director, the Board considers that the above proposals relating to the re-election of the Retiring Directors, the granting of the Issue Mandate, the renewal of the Share Buyback Mandate and the declaration of a final dividend are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favour of each of the ordinary resolutions relating to the aforesaid matters to be proposed at the 2017 AGM.

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## LETTER FROM THE BOARD

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### DIRECTORS' RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed re-election of Mr. Leung Chun Wah and Mr. Kwok Chan Cheung as Directors, the proposed grant of the Issue Mandate, the proposed renewal of the Share Buyback Mandate and the proposed declaration of a final dividend, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

### DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Company's principal place of business in Hong Kong at 24/F, Wyler Centre, Phase 2, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong and at the office of the Singapore Share Transfer Agent, Intertrust Singapore Corporate Services Pte. Ltd., at 77 Robinson Road, #13-00 Robinson 77, Singapore 068896, during normal business hours from the date hereof up to and including the date of the 2017 AGM:

- (a) the Memorandum and the Bye-Laws; and
- (b) the annual report of the Company for FY2017.

Yours faithfully

For and on behalf of the Board of

**WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED**

**Leung Chun Wah**

*Chairman and Executive Director*

*The following is the information, as at the Latest Practicable Date, required to be disclosed under the Hong Kong Listing Rules, on the Retiring Directors proposed to be re-elected at the 2017 AGM.*

Save as disclosed below, there are no other matters concerning each of the Retiring Directors that are required to be brought to the attention of the Shareholders, nor is there any other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Hong Kong Listing Rules.

**Leung Chun Wah (“Mr. Leung”)**

Mr. Leung, aged 67, was appointed as an executive Director and the chairman of the Company on January 1, 2001. He is responsible for determining the overall strategies and direction of the Group. Mr. Leung is also a director of various subsidiaries of the Group. Mr. Leung has more than 30 years of experience in the electronics industry. Mr. Leung was an inspection supervisor/process controller of Stuart Limited from 1967 to 1970 and established Willas Company Limited (a subsidiary of the Group) in 1981. Mr. Leung is also the father of Mr. Leung Chi Hang, Daniel, the deputy managing director of information technology, logistics, and marketing communication. Mr. Leung and his family members are the ultimate beneficiaries of a discretionary trust held by Max Power Assets Limited, a Substantial Shareholder of the Company.

There is a service agreement between the Company and Mr. Leung for his appointment as the chairman and Director of the Company, for a term of two (2) years from January 1, 2017 to December 31, 2018, subject to retirement by rotation and re-election at the 2017 AGM in accordance with the Bye-Laws. He is presently entitled to a basic annual salary of HK\$2,797,795 per annum plus a one-time bonus, which are reviewed annually by the Board and the Remuneration Committee by reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market situation. Mr. Leung’s remuneration for year ended March 31, 2017 was approximately HK\$3,811,000.

As at the Latest Practicable Date, Mr. Leung, being a beneficiary of a trust, had an interest in 18,099,830 Shares, representing approximately 23.97% of the issued share capital of the Company, and a deemed interest in 731,940 Shares held by his spouse, representing approximately 0.97% of the issued share capital of the Company, within the meaning of Part XV of the SFO. Mr. Leung also had a direct interest in 820,300 Shares.

Save as disclosed above, as at the Latest Practicable Date, Mr. Leung:

- (a) did not hold any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years;
- (b) did not have any other interest in any Shares, underlying Shares or debentures in the Company or any of its associated corporations required to be disclosed pursuant to Part XV of the SFO; and
- (c) did not hold any other position with the Company or any of its subsidiaries nor did he have any other relationship with any other Directors, senior management or substantial shareholder or controlling shareholder (within the meaning of the Hong Kong Listing Rules) of the Company.



**Kwok Chan Cheung (“Mr. Kwok”)**

Mr. Kwok, aged 69, is the deputy chairman of the Company and an executive Director. He is also a director of various subsidiaries of the Group. Mr. Kwok established Array Electronics Limited (now known as Willas-Array Electronics (Hong Kong) Limited) (a subsidiary of the Group) in 1982. He was appointed as an executive Director and deputy chairman and managing director on January 1, 2001 and ceased to be the managing director but remained as the deputy chairman and executive Director with effect from July 31, 2014. He is responsible for overseeing the sales and marketing activities and determining the sales and marketing strategy of the Group.

There is a service agreement between the Company and Mr. Kwok for his appointment as the deputy chairman and Director of the Company, for a term of two (2) years from January 1, 2017 to December 31, 2018, subject to retirement by rotation and re-election at the 2017 AGM in accordance with the Bye-laws. He is presently entitled to a basic annual salary of HK\$2,184,000 per annum plus a one-time bonus, which are reviewed annually by the Board and the Remuneration Committee by reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market situation. Mr. Kwok’s remuneration for the year ended March 31, 2017 was approximately HK\$2,932,000.

As at the Latest Practicable Date, as Global Success International Limited, a Substantial Shareholder of the Company, is wholly owned by Mr. Kwok, he was deemed to be interested in 7,895,554 Shares held by Global Success International Limited, representing approximately 10.46% of the issued share capital of the Company. Mr. Kwok also had a direct interest in 34,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, Mr. Kwok:

- (a) did not hold any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years;
- (b) did not have any other interest in any Shares, underlying Shares or debentures of the Company or any of its associated corporations required to be disclosed pursuant to Part XV of the SFO; and
- (c) did not hold any other position with the Company or any of its subsidiaries nor did he have any other relationship with any other Directors, senior management or substantial shareholder or controlling shareholder (within the meaning of the Hong Kong Listing Rules) of the Company.

**1. Renewal of the Share Buyback Mandate**

As a company incorporated in Bermuda and listed on the Main Board of the SGX-ST and the Hong Kong Stock Exchange, any purchases or acquisitions of Shares by the Company will have to be made in accordance with, and subject to the provisions of, the SGX-ST Listing Manual, the Singapore Take-over Code, the Bermuda Companies Act, the Memorandum and the Bye-Laws, the Hong Kong Listing Rules, the Hong Kong Share Buy-backs Code and the Hong Kong Takeovers Code and such other laws and regulations as may from time to time be applicable.

Under the Bermuda Companies Act, a company incorporated in Bermuda may, if authorised to do so by its memorandum of association or bye-laws, purchase its own shares provided that no such purchase may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due. The Memorandum and the Bye-Laws provide that the Company may purchase its own Shares.

It is also a requirement under the SGX-ST Listing Manual and the Hong Kong Listing Rules that a company which wishes to purchase or acquire its own shares should obtain prior specific approval of its shareholders at a general meeting.

Accordingly, the Directors propose that the renewal of the Share Buyback Mandate be tabled to Shareholders for approval at the 2017 AGM as ordinary resolution 8.

**2. Rationale of the Share Buyback Mandate**

The renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the 10% limit described in section 3.1 of this Appendix II at any time, during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) in managing the business of the Group, the management team strives to increase Shareholders' value by improving, among other matters, the net assets and/or EPS of the Group. A share purchase is one of the ways in which the net assets and/or EPS of the Group may be enhanced;
- (b) share purchases are an expedient, effective and cost-efficient way for the Company to return to Shareholders any surplus cash/funds which is/are over and above its ordinary capital requirements and in excess of the financial and investment needs of the Group, if any; and
- (c) share purchases may help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholder confidence.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period when the Share Buyback Mandate is in force, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders as a whole and in circumstances which they believe will not result in any material adverse effect on the financial condition of the Company or the Group, or result in the Company being delisted from the SGX-ST or in breach of the Hong Kong Listing Rules or the Bye-Laws. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST or the Hong Kong Stock Exchange.

### **3. Authority and Limits of the Share Buyback Mandate**

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

#### **3.1 *Maximum Number of Shares***

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of the issued Shares as at the date of the 2017 AGM at which the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction, consolidation or sub-division of its issued and unissued Shares in accordance with the applicable provisions under the Bermuda Companies Act, in which event the total number of the issued Shares shall be taken to be the total number of issued Shares as altered by the reduction, consolidation or sub-division of Shares (as the case may be). Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for the purposes of computing the 10% limit. As at the Latest Practicable Date, the Company does not have any treasury shares or subsidiary holdings.

For illustrative purposes only, on the basis of 75,505,960 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued and no Shares will be purchased or acquired and cancelled by the Company, on or prior to the 2017 AGM, not more than 7,550,596 Shares (representing 10% of the total number of issued Shares as at that date, and assuming that this number does not exceed 10% of the issued share capital) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate during the period in which the Share Buyback Mandate is in force.

### 3.2 *Duration of Authority*

If the proposed Share Buyback Mandate is approved by the Shareholders at the 2017 AGM, purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2017 AGM up to:

- (a) the date on which the next AGM is held (up to the time of conclusion of said AGM), or the date by which the next AGM is required by law or by the Bye-Laws to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors under the Share Buyback Mandate may be renewed by the Shareholders in general meeting. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

### 3.3 *Manner of Purchase or Acquisition of Shares*

The Share Buyback Mandate provides that purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases (“**On-Market Purchases**”) on the SGX-ST or the Hong Kong Stock Exchange (as the case may be); and/or
- (b) off-market purchases (“**Off-Market Purchases**”) effected otherwise than on the SGX-ST or the Hong Kong Stock Exchange, pursuant to an equal access scheme as may be determined or formulated by the Directors as they consider fit,

in accordance with all laws and regulations applicable to the Company, including but not limited to the provisions of the SGX-ST Listing Manual, the Singapore Take-over Code, the Bermuda Companies Act, the Memorandum and the Bye-Laws, the Hong Kong Listing Rules, the Hong Kong Share Buy-backs Code and the Hong Kong Takeovers Code. Further details on the requirements relating to Off-Market Purchases are set out below.

The Directors may impose such terms and conditions which are not inconsistent with the SGX-ST Listing Manual, the Singapore Take-over Code, the Bermuda Companies Act, the Memorandum and the Bye-Laws, the Hong Kong Listing Rules, the Hong Kong Share Buy-backs Code and the Hong Kong Takeovers Code, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme. For the purposes of the SGX-ST Listing Manual, an Off-Market Purchase must, however, satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, differences in consideration attributable to the fact that offers may relate to Shares with different amounts remaining unpaid (if applicable) and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the SGX-ST Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it must issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Singapore Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

In Hong Kong, companies with a primary listing of its equity securities on the Hong Kong Stock Exchange may only engage in an off-market share purchase approved in accordance with Rule 2 of the Hong Kong Share Buy-backs Code. According to the Hong Kong Share Buy-backs Code, off-market purchases must be approved by the executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong before a purchasing company acquires any shares pursuant to such purchase or acquisitions of shares. Such approval will normally be conditional upon, amongst others, approval of the proposed off-market purchase by at least three-fourths of the votes cast on a poll by disinterested shareholders in attendance in person or by proxy at a general meeting of shareholders duly convened and held to consider the proposed transaction. The purchasing company should also comply with such other applicable requirements under the Hong Kong Share Buy-backs Code, and the offer document to be issued to Shareholders shall contain in addition to the information required under the SGX-ST Listing Manual, the information required under the Hong Kong Share Buy-backs Code.

Even if the Share Buyback Mandate is approved by Shareholders at a general meeting of the Company, the Company will still be required to convene a general meeting to seek specific approval from Shareholders in the event that it wishes to conduct an Off-Market Purchase in compliance with the applicable requirements of the Hong Kong Share Buy-backs Code.

#### 3.4 *Maximum Price*

The price (excluding brokerage, stamp duties, commission, transaction levy, trading fee, applicable goods and services tax and other related expenses (collectively, “**related expenses**”)) to be paid for a Share will be determined by the Directors. However, the price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of an On-Market Purchase, 105% of the Average Closing Price (as defined below); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

(the “**Maximum Price**”) in either case, excluding related expenses.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant period of five (5) Market Days. In the case of an On-Market Purchase, the relevant closing market prices shall be taken from the securities exchange on which the relevant trade is to be conducted, and in the case of an Off-Market Purchase effected otherwise than on the SGX-ST or the Hong Kong Stock Exchange, the relevant closing market prices shall be taken from both the SGX-ST and the Hong Kong Stock Exchange; and

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase.

### **3.5 Status of Purchased or Acquired Shares**

Shares purchased or acquired by the Company under the Share Buyback Mandate shall be deemed cancelled immediately on purchase or acquisition and shall not be held in treasury, and all rights and privileges attached to each of those Shares will immediately expire on cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and the total issued share capital will be diminished by the nominal value of the Shares purchased but the cancellation of the purchased or acquired Shares shall not be taken as reducing the amount of the Company’s authorised share capital. The listing of all Shares which are purchased or acquired by the Company shall be automatically cancelled upon purchase or acquisition under the Hong Kong Listing Rules.

## **4. Reporting Requirements**

The SGX-ST Listing Manual specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares no later than 9.00 a.m.:

- (a) in the case of an On-Market Purchase, on the Market Day following the day on which the On-Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The notification of such purchase or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary notifications to the SGX-ST. To ensure parity of information, the Company will also release the same announcement on the Hong Kong Stock Exchange as appropriate.

Under the Hong Kong Listing Rules, after a listed issuer has made a purchase or acquisition of its shares whether on the Hong Kong Stock Exchange or otherwise, the listed issuer shall:

- (i) submit for publication to the Hong Kong Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the issuer makes a purchase or acquisition of shares (whether on the Hong Kong Stock Exchange or otherwise), the total number of shares purchased or acquired by the issuer the previous day, the purchase price per share or the highest and lowest prices paid for such purchases or acquisitions of shares, where relevant, and shall confirm that those purchases or acquisitions of shares which were made on the Hong Kong Stock Exchange were made in accordance with the Hong Kong Listing Rules and if the issuer’s primary listing is on the Hong Kong Stock Exchange, that there

have been no material changes to the particulars contained in the explanatory statement issued by the listed issuer in relation to the mandate pursuant to which such purchase or acquisition of shares is made. In respect of the purchases or acquisitions of shares made on another stock exchange, the issuer's report must confirm that those purchases were made in accordance with the domestic rules applying to purchases on that other stock exchange. Such reports shall be made on a return in such form and containing such information as the Hong Kong Stock Exchange may from time to time prescribe. In the event that no shares are purchased on any particular day, then no return need be made to the Hong Kong Stock Exchange. The issuer should make arrangements with its brokers to ensure that they provide to the issuer in a timely fashion the necessary information to enable the issuer to make the report to the Hong Kong Stock Exchange; and

- (ii) include in its annual report and accounts a monthly breakdown of the purchases of shares made during the financial year under review showing the number of shares purchased each month (whether on the Hong Kong Stock Exchange or otherwise) and the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid by the issuer for such purchases. The section headed "Report of the Directors" in the issuer's annual report shall contain reference to the purchases made during the year and the reasons for making such purchases.

The Company shall procure that any broker appointed by the Company to effect the purchase or acquisition of its shares shall disclose to the Hong Kong Stock Exchange such information with respect to the purchases or acquisitions made on behalf of the Company as the Hong Kong Stock Exchange may request.

## **5. Sources of Funds**

The Company may only apply funds for the purchase or acquisition of Shares as provided in the Memorandum, the Bye-Laws and the applicable laws and regulations in Bermuda, as well as in accordance with the applicable rules of the SGX-ST and the Hong Kong Stock Exchange.

Any purchase or acquisition of Shares pursuant to the Share Buyback Mandate may only be paid out of the capital paid up on the Shares to be purchased or acquired, or out of the reserve or undivided profits of the Company (including any contributed surplus account and also including any share premium account or other un-distributable reserve) not required for payment or provision of the dividend on any shares with a preferential right to dividend, or out of the proceeds of a fresh issue of Shares made for the purposes of the purchase or acquisition. Currently, the Company does not intend to fund any purchase or acquisition of Shares out of the proceeds of a fresh issue of Shares made for the purposes of the purchase or acquisition.



Any premium payable on such a purchase or acquisition over the nominal value of the Shares to be purchased must be provided for out of the reserve or undivided profits of the Company (including any contributed surplus account and also including any share premium account or other un-distributable reserve) not required for payment or provision of the dividend on any shares with a preferential right to dividend before the Shares are purchased or acquired. The funds for making any proposed purchase or acquisition shall be from funds legally available for such purpose in accordance with the Bye-Laws and the laws of Bermuda.

However, no purchase by the Company of its Shares may be effected, if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

The Company may not purchase its Shares for a consideration other than in cash or, in the case of an On-Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST or the Hong Kong Stock Exchange (as the case may be) from time to time.

The Company currently intends to use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. It is possible that the exercise of the Share Buyback Mandate to its full extent may have a potential material adverse impact on the working capital or gearing position of the Group as compared with the position disclosed in the audited consolidated financial statements contained in the Company's annual report for FY2017. The Directors are mindful of this and do not propose to exercise the Share Buyback Mandate to such an extent that it would have the above-mentioned material adverse effect.

## **6. Illustrative Financial Effects**

It is not possible for the Company to realistically calculate or quantify the impact of purchases of Shares that may be made pursuant to the Share Buyback Mandate on the NTA and EPS as the resultant effect would depend on, among other things, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

As any Shares purchased or acquired under the Share Buyback Mandate shall be cancelled, the Company's total number of issued Shares and total issued share capital will be diminished by the number and the nominal value of the Shares purchased or acquired. The NTA of the Group will be reduced by the aggregate purchase price or consideration paid by the Company for the Shares.

The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

For illustrative purposes only, assuming that:

- (a) based on 75,505,960 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued and no Shares will be purchased or acquired and cancelled on or prior to the 2017 AGM, not more than 7,550,596 Shares (representing 10% of the total number of issued Shares as at that date (the Company does not have any treasury shares or subsidiary holdings) may be purchased by the Company pursuant to the Share Buyback Mandate;
- (b) in the case of On-Market Purchases by the Company, the Company purchases or acquires 7,550,596 Shares at the Maximum Price of approximately S\$0.783 for each Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST and the Hong Kong Stock Exchange immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 7,550,596 Shares (excluding related expenses) is approximately S\$5.9 million (approximately HK\$33.4 million assuming an exchange rate of S\$1: HK\$5.6409);
- (c) in the case of Off-Market Purchases by the Company, the Company purchases or acquires the 7,550,596 Shares at the Maximum Price of S\$0.895 for each Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST and the Hong Kong Stock Exchange immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 7,550,596 Shares (excluding related expenses) is approximately S\$6.8 million (approximately HK\$38.1 million assuming an exchange rate of S\$1: HK\$5.6409);
- (d) such purchase or acquisition of Shares is financed solely by internal sources of funds;
- (e) the Share Buyback Mandate had been effective on April 1, 2016; and
- (f) the Company had purchased or acquired 7,550,596 Shares and cancelled the same,

the financial effects of the purchase or acquisition of 7,550,596 Shares by the Company on the audited consolidated financial statements of the Company and the Group for FY2017 pursuant to the Share Buyback Mandate are as follows:

Figure A1: Purchases made out of capital and cancelled

	Group			Company		
	Immediately after Share Buyback assuming On-Market Purchase (HK\$'000)	Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)	Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)	Immediately before Share Buyback (HK\$'000)	Immediately after Share Buyback assuming On-Market Purchase (HK\$'000)	Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)
<b>As at March 31, 2017</b>						
Share capital	75,506	67,955	67,955	75,506	67,955	67,955
Shareholders' funds	577,872	544,510	539,744	337,788	304,426	299,660
NTA	577,872	544,510	539,744	337,788	304,426	299,660
Current assets	1,697,984	1,664,622	1,659,856	231,303	197,941	193,175
Current liabilities	1,334,954	1,334,954	1,334,954	10,985	10,985	10,985
Working capital	363,030	329,668	324,902	220,318	186,956	182,190
Cash and cash equivalents	331,255	297,893	293,127	2,657	2,657	2,657
Profit after tax and non-controlling interest	37,514	37,514	37,514	33,374	33,374	33,374
Number of issued Shares*	75,505,960	67,955,364	67,955,364	75,505,960	67,955,364	67,955,364
<b>Financial ratios</b>						
NTA/Share (HK cents)	765.33	801.28	794.26	447.37	447.98	440.97
EPS (HK cents)	49.68	55.20	55.20	44.20	49.11	49.11
Current ratio (times)	1.27	1.25	1.24	21.06	18.02	17.59
Return on equity (%)	6.49	6.89	6.95	9.88	10.96	11.14

Figure A2: Purchases made out of profit and cancelled

	Group			Company		
	Immediately after Share Buyback assuming On-Market Purchase (HK\$'000)	Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)	Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)	Immediately after Share Buyback assuming On-Market Purchase (HK\$'000)	Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)	Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)
<b>As at March 31, 2017</b>						
Share capital	75,506	75,506	75,506	75,506	75,506	75,506
Shareholders' funds	577,872	544,510	539,744	337,788	304,426	299,660
NTA	577,872	544,510	539,744	337,788	304,426	299,660
Current assets	1,697,984	1,664,622	1,659,856	231,303	197,941	193,175
Current liabilities	1,334,954	1,334,954	1,334,954	10,985	10,985	10,985
Working capital	363,030	329,668	324,902	220,318	186,956	182,190
Cash and cash equivalents	331,255	297,893	293,127	2,657	2,657	2,657
Profit after tax and non-controlling interest	37,514	37,514	37,514	33,374	33,374	33,374
Number of issued Shares*	75,505,960	67,955,364	67,955,364	75,505,960	67,955,364	67,955,364
<b>Financial ratios</b>						
NTA/Share (HK cents)	765.33	801.28	794.26	447.37	447.98	440.97
EPS (HK cents)	49.68	55.20	55.20	44.20	49.11	49.11
Current ratio (times)	1.27	1.25	1.24	21.06	18.02	17.59
Return on equity (%)	6.49	6.89	6.95	9.88	10.96	11.14

*Note on Figures A1 and A2:*

\* As the number of issued Shares as at the Latest Practicable Date is 75,505,960, the above illustrative financial effects were prepared on the assumption that the number of issued Shares (a) immediately prior to the Share Buyback was 75,505,960, and (b) immediately after the Share Buyback was 67,955,364.

Shareholders should note that the financial effects set out above are purely for illustrative purposes and based only on the above-mentioned assumptions. Although the proposed Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of its issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of its issued Shares.

Shareholders who are in doubt as to their tax positions or any tax implications for holding, acquisition, disposal or other dealing in the Shares in their respective jurisdictions should consult their own professional advisers.

**7. Relevant Provisions of the SGX-ST Listing Manual and the Hong Kong Listing Rules****7.1 Dealing Restrictions**

While the SGX-ST Listing Manual does not expressly prohibit purchase of shares by a listed company during any particular time or times, because a listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not purchase any Shares pursuant to the Share Buyback Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of a consideration and/or a decision of the Board until such time as such information has been publicly announced. In particular, in line with Rule 1207(19)(c) of the SGX-ST Listing Manual, the Company will not purchase or acquire any Shares through On-Market Purchases during the period of:

- (a) one (1) month immediately preceding the announcement of the Company’s full-year financial statements; and
- (b) two (2) weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of its financial year.

In line with Rule 10.06(2)(e) of the Hong Kong Listing Rules, the Company will not purchase or acquire any Shares through On-Market Purchases at any time after inside information has come to its knowledge until the information is publicly available. In particular, during the period of one (1) month preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Hong Kong Listing Rules) for the approval of the Company’s result for any year, half-year, quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules); and
- (b) the deadline for the Company to announce its results for any year or half-year under the Hong Kong Listing Rules, or quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules),

and ending on the date of the results announcement, the Company will not purchase its Shares on the Hong Kong Stock Exchange.

Further, under the Hong Kong Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase of Shares by it, whether on the Hong Kong Stock Exchange or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the Company to issue securities, which were outstanding prior to that purchase of its own securities), without the prior approval of the Hong Kong Stock Exchange.

The Company is required to comply with the SGX-ST Listing Manual and the Hong Kong Listing Rules at all times and this is regardless of whether the purchase or acquisition by the Company of any Shares under the Share Buyback Mandate occurs on the SGX-ST or the Hong Kong Stock Exchange, and in the event that the above-mentioned periods specified under the SGX-ST Listing Manual and the Hong Kong Listing Rules in which On-Market Purchases are restricted are not identical, the Company will comply with the more onerous of the two.

### **7.2 Public Float**

The Company is required under Rule 723 of the SGX-ST Listing Manual to ensure that at least 10% of its Shares are in the hands of the public. The “public”, as defined under the SGX-ST Listing Manual, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associates of such persons.

The Company is also required under Rule 8.08 of the Hong Kong Listing Rules to ensure that at least 25% of its issued Shares are in the hands of the “public”. The Hong Kong Stock Exchange will not regard any core connected person of the Company as a member of the “public” or shares held by a core connected person as being “in public hands”. In addition, the Hong Kong Stock Exchange will not recognise as a member of “the public”: (i) any person whose acquisition of securities has been financed directly or indirectly by a core connected person; and (ii) any person who is accustomed to take instructions from a core connected person in relation to the acquisition, disposal, voting or other disposition of securities of the issuer registered in his name or otherwise held by him. “Core connected person”, as defined under the Hong Kong Listing Rules, means a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them.

Based on the Register of Substantial Shareholders and the Register of Members maintained by the Company as at the Latest Practicable Date, approximately 34,844,874 Shares, representing approximately 46.15% of the total number of issued Shares (the Company does not have treasury shares or subsidiary holdings), were in the hands of the public. Assuming that the Company purchases its Shares up to the full 10% limit pursuant to the Share Buyback Mandate from the public, the number of Shares in the hands of the public would be reduced to 27,294,278 Shares, representing approximately 40.17% of the reduced total number of issued Shares. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public, which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST and the Hong Kong Stock Exchange, and that the number of issued Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through On-Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float of the issued Shares in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST and the Hong Kong Stock Exchange, cause market illiquidity or adversely affect the orderly trading of the Shares.

## 8. Take-over Implications

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

### 8.1 *Obligation to Make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Singapore Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Singapore Take-over Code.

### 8.2 *Persons Acting in Concert*

Under the Singapore Take-over Code, persons acting in concert (“**concert parties**”) comprise individuals who, or companies which, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client’s equity share capital;

- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and their concert parties respectively, will incur an obligation to make a take-over offer under Rule 14 of the Singapore Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 to the Singapore Take-over Code.

### ***8.3 Effect of Rule 14 and Appendix 2 to the Singapore Take-over Code***

In general terms, the effect of Rule 14 and Appendix 2 to the Singapore Take-over Code containing the Share Buy-Back Guidance Note is that, unless exempted, the Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Singapore Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2 to the Singapore Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Singapore Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Buyback Mandate.

As at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company would become obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 to the Singapore Take-over Code as a result of a purchase by the Company of the maximum limit of 10% of the total number of issued Shares pursuant to the proposed Share Buyback Mandate. The Directors are not aware of any potential Shareholder(s) who may have to make a general offer to the other Shareholders as a result of a purchase of Shares by the Company pursuant to the proposed Share Buyback Mandate.



#### 8.4 *Hong Kong Takeovers Code*

Under Rule 26 of the Hong Kong Takeovers Code, unless an applicable waiver has been obtained, a mandatory offer is required when (i) any person acquires, whether by a series of transactions over a period of time or not, 30% or more of the voting rights of a company; (ii) two (2) or more persons are acting in concert, and collectively hold less than 30% of the voting rights of a company, and any one (1) or more of them acquires voting rights and such acquisition has the effect of increasing their collective holding of voting rights to 30% or more of the voting rights of the company; (iii) any person holds not less than 30%, but not more than 50%, of the voting rights of a company and that person acquires additional voting rights and such acquisition has the effect of increasing that person's holding of voting rights of the company by more than 2% from the lowest percentage holding of that person in the 12-month period ending on and inclusive of the date of the relevant acquisition; or (iv) two (2) or more persons are acting in concert, and they collectively hold not less than 30%, but not more than 50%, of the voting rights of a company, and any one or more of them acquires additional voting rights and such acquisition has the effect of increasing their collective holding of voting rights of the company by more than 2% from the lowest collective percentage holding of such persons in the 12-month period ending on and inclusive of the date of the relevant acquisition.

Under Rule 32 of the Hong Kong Takeovers Code, if as a result of the purchase of securities by the Company pursuant to the Share Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Hong Kong Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase in the interest of the Company, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Hong Kong Takeovers Code.

As at the Latest Practicable Date, Mr. Leung Chun Wah and his Associates held 19,652,070 Shares, representing approximately 26.03% of the issued share capital of the Company. In the event that the Directors exercise in full the power to purchase Shares which is proposed to be granted pursuant to the relevant ordinary resolution 8 of the 2017 AGM, then (if the present shareholdings otherwise remained the same) the interests of Mr. Leung Chun Wah and his Associates would increase from approximately 26.03% to approximately 28.92% of the then issued share capital of the Company. In the opinion of the Directors, such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Hong Kong Takeovers Code. Accordingly, the Directors are currently not aware of any consequences which will arise under the Hong Kong Takeovers Code as a result of a purchase of Shares by the Company pursuant to the proposed Share Buyback Mandate.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Singapore Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council of Singapore and/or their professional advisers at the earliest opportunity.**

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Hong Kong Takeovers Code as a result of any purchase or acquisition of Shares by the Company should consult their professional advisers at the earliest opportunity.

### 9. Previous Share Buybacks

No purchase or acquisition of Shares has been made by the Company in the 12 months preceding the Latest Practicable Date.

### 10. Historical Share Prices

The highest and lowest prices at which the Shares were traded on the SGX-ST and the Hong Kong Stock Exchange respectively during each of the months starting from June 2016 up to June 2017 (up to and including the Latest Practicable Date) are as follows:

	Per Share on the SGX-ST		Per Share on the Hong Kong Stock Exchange	
	Highest (S\$)	Lowest (S\$)	Highest (HK\$)	Lowest (HK\$)
<b>2016</b>				
June	0.580	0.535	3.60	3.40
July	0.580	0.520	3.59	3.35
August	0.605	0.520	3.75	3.35
September	0.600	0.560	3.90	3.45
October	0.700	0.580	3.80	3.49
November	0.600	0.600	3.78	3.65
December	0.590	0.580	3.65	3.30
<b>2017</b>				
January	0.580	0.560	3.74	3.20
February	0.600	0.560	3.56	3.14
March	0.585	0.560	3.36	3.00
April	0.700	0.565	3.35	3.00
May	0.800	0.565	4.20	3.00
June (up to and including the Latest Practicable Date)	0.760	0.710	4.20	3.75

**11. Directors, their Undertakings and Close Associates and Core Connected Persons**

The Directors have undertaken to the Hong Kong Stock Exchange that they will exercise the Share Buyback Mandate in accordance with the Hong Kong Listing Rules, all applicable Bermuda laws, the Memorandum and the Bye-Laws. None of the Directors and, to the best of their knowledge having made all reasonable enquiries, any of their close associates, has any present intention to sell any Shares to the Company or its subsidiaries under the Share Buyback Mandate if the Share Buyback Mandate is approved by the Shareholders at the 2017 AGM.

No core connected person of the Company has notified the Company that he has a present intention to sell Shares to the Company or has undertaken to the Company not to sell any of the Shares held by him to the Company, in the event that the Share Buyback Mandate is approved by the Shareholders at the 2017 AGM.

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## NOTICE OF ANNUAL GENERAL MEETING

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**WILLAS-ARRAY**  
**WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED**  
**威雅利電子(集團)有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Hong Kong stock code: 854)**  
**(Singapore stock code: BDR)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Willas-Array Electronics (Holdings) Limited (the “**Company**”) will be held on Friday, July 28, 2017 at 9:30 a.m. at Mandarin Orchard Singapore, Grange Ballroom, Level 5, Main Tower, 333 Orchard Road, Singapore 238867, to transact the following businesses:–

#### **As Ordinary Business**

#### **ORDINARY RESOLUTIONS**

1. To read, consider and adopt the Directors’ Report and Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the Independent Auditors’ Report thereon.

**【Ordinary Resolution 1】**

2. To declare a final dividend of HK\$0.31 per ordinary share for the financial year ended March 31, 2017 (2016: nil).

**【Ordinary Resolution 2】**

3. To approve the proposed Directors’ fees of S\$180,000/- for the financial year ending March 31, 2018. (2017: S\$180,000/-)

**【Ordinary Resolution 3】**

4. To re-elect Mr. Leung Chun Wah (who will retire pursuant to bye-law 104 of the Company’s Bye-Laws) as an executive Director of the Company.

**【Ordinary Resolution 4】**

5. To re-elect Mr. Kwok Chan Cheung (who will retire pursuant to bye-law 104 of the Company’s Bye-Laws) as an executive Director of the Company.

**【Ordinary Resolution 5】**

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To re-appoint Messrs. Deloitte Touche Tohmatsu, Hong Kong as the independent Auditors of the Company and to authorise the Directors to fix their remuneration.

**【Ordinary Resolution 6】**

7. To transact any other ordinary business which may properly be transacted at the Annual General Meeting.

**As Special Business**

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions as Ordinary Resolutions:–

8. Authority to allot and issue new ordinary shares in the share capital of the Company

“THAT pursuant to Rule 806 of the Main Board rules of the Listing Manual (the “**SGX-ST Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**” and the “**Hong Kong Listing Rules**”, respectively):

- (a) subject to paragraph (c) below and pursuant to the SGX-ST Listing Manual and the Hong Kong Listing Rules, respectively, authority be and is hereby given to the directors of the Company (the “**Directors**”), at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit, to exercise all the powers of the Company to allot and issue new ordinary shares of HK\$1.00 each in the share capital of the Company (the “**Shares**”) (whether by way of rights, bonus or otherwise) or securities convertible into Shares or options, warrants or similar rights to subscribe or exchange for Shares or convertible securities, and to make or grant offers, agreements and options that might or would require Shares to be issued (the “**Instruments**”), including but not limited to, warrants or similar Instruments;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant Instruments during the Relevant Period (as defined below), which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) to be issued and allotted, or agreed conditionally or unconditionally to be issued and allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, shall not exceed 50% of the total number of Shares in issue (as defined below) (excluding any treasury shares or subsidiary holdings) (as calculated in accordance with paragraph (d) below), of which the aggregate number of Shares (including the Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) to be allotted and issued, or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) other than on a pro-rata

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## NOTICE OF ANNUAL GENERAL MEETING

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basis to the existing shareholders of the Company (the “Shareholders”) shall not exceed 10% of the total number of Shares in issue (excluding any treasury shares or subsidiary holdings) (as calculated in accordance with paragraph (d) below) as at the date of passing this Resolution provided that if any subsequent reduction, consolidation or sub-division of Shares is effected, the maximum number of Shares that may be issued pursuant to the approval in paragraph (a) above as a percentage of the total number of Shares in issue immediately before and after such reduction, consolidation or sub-division shall be the same and such maximum number of Shares shall be adjusted accordingly; and

- (d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the date of passing of this Resolution until the earlier of:

- (i) the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law or by the Bye-Laws of the Company to be held; or
- (ii) the passing of an ordinary resolution by the Shareholders in a general meeting revoking or varying the authority given to the Directors by this Resolution; and

“**total number of Shares in issue**” means (subject to such manner of calculation as may be prescribed by the SGX-ST and/or the Hong Kong Stock Exchange for the purpose of determining the aggregate number of Shares that may be issued under paragraph (c) above) the total number of Shares (excluding any treasury shares or subsidiary holdings) in the capital of the Company which shall be based on the total number of issued Shares (excluding any treasury shares or subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for: (I) any new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and (II) any subsequent reduction, bonus issue, consolidation or subdivision of Shares.

### **【Ordinary Resolution 7】**

(See Explanatory Note (i))

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## NOTICE OF ANNUAL GENERAL MEETING

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9. Authority to purchase or acquire Shares in the share capital of the Company under the Share Buyback Mandate (as defined in paragraph (a) below):–

**“THAT**

- (a) pursuant to the Company’s memorandum of association and bye-laws (the **“Memorandum”** and the **“Bye-Laws”**, respectively), and subject to the Companies Act 1981 of Bermuda (the **“Bermuda Companies Act”**), the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as defined below) at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
- (i) on-market purchase(s) (each an **“On-Market Purchase”**) on the SGX-ST or the Hong Kong Stock Exchange, as the case may be; and/or
  - (ii) off-market purchase(s) (each an **“Off-Market Purchase”**) effected otherwise than on the SGX-ST or the Hong Kong Stock Exchange pursuant to an equal access scheme as may be determined or formulated by the Directors as they consider fit,

in accordance with all applicable laws, rules and regulations, including but not limited to the provisions of the SGX-ST Listing Manual, the Singapore Code on Take-overs and Mergers, the Bermuda Companies Act, the Companies Act (Chapter 50 of Singapore), the Memorandum, the Bye-Laws, the Hong Kong Listing Rules, the Codes on Takeovers and Mergers and Share Buy-backs administered by the Securities and Futures Commission in Hong Kong, and such exercise be and is hereby authorised and approved generally and unconditionally (the **“Share Buyback Mandate”**), provided always that all Shares which are purchased or acquired by the Company pursuant to the Share Buyback Mandate shall be deemed cancelled immediately on purchase or acquisition, and shall not be held as treasury shares;

- (b) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing on the date of passing of this Resolution and expiring on the earlier of:
- (i) the date on which the next annual general meeting of the Company is held (up to the time of conclusion of said annual general meeting), or the date by which the next annual general meeting of the Company is required by law or by the Bye-Laws to be held; or
  - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) for the purposes of this Resolution:

The expressions “Directors”, “Shares”, “SGX-ST”, “Hong Kong Stock Exchange”, “SGX-ST Listing Manual”, “Hong Kong Listing Rules” and “total number of Shares in issue” shall have the same respective meanings as ascribed to them in Ordinary Resolution 7 set out in the notice convening this annual general meeting.

“**Maximum Limit**” means that number of issued Shares representing not more than 10% of the total number of Shares in issue as at the date of passing of this Resolution, unless the Company has, at any time during the Relevant Period (as defined below), effected a reduction, consolidation or sub-division of the issued and unissued Shares in accordance with the applicable provisions of the Bermuda Companies Act, in which event the total number of Shares in issue shall be taken to be the total number of issued Shares as altered by the reduction, consolidation or sub-division of Shares (as the case may be). Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for the purposes of computing the 10% limit;

“**Relevant Period**” means the period commencing on the date of the annual general meeting of the Company immediately prior to the date of passing of this Resolution, and expiring on the date on which the next annual general meeting of the Company is held or is required by law or by the Bye-Laws to be held, whichever is the earlier;

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means the price (excluding brokerage, regulatory body’s transaction levy, stock exchange trading fee, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share to be determined by the Directors, which shall not exceed:

- (i) in the case of an On-Market Purchase, 105% of the Average Closing Price (as defined below); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days (as defined below), on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant period of five (5) Market Days. In the case of an On-Market Purchase, the relevant closing market prices shall be taken from the securities exchange on which the relevant trade is to be conducted, and in the case of an Off-Market Purchase effected otherwise than on the SGX-ST or the Hong Kong Stock Exchange, the relevant closing market prices shall be taken from both the SGX-ST and the Hong Kong Stock Exchange;



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## NOTICE OF ANNUAL GENERAL MEETING

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“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST or the Hong Kong Stock Exchange is open for trading in securities; and

- (d) the Directors and/or any of them be and are/is hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they and/or he/she may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.”

### **【Ordinary Resolution 8】**

(See Explanatory Note (ii))

BY ORDER OF THE BOARD  
**WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED**  
**Leung Hon Shing**  
*Company Secretary*

Hong Kong/Singapore,  
June 27, 2017

*Registered Office:*  
Canon’s Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

*Head Office and Principal Place of Business:*  
24/F, Wylar Centre, Phase 2  
200 Tai Lin Pai Road  
Kwai Chung, New Territories  
Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. With the exception of The Central Depository (Pte) Ltd. (the “**Depository**”) and HKSCC Nominees Limited (“**HKSCC Nominees**”), which may appoint more than two (2) proxies, a member of the Company (the “**Member**”) who is the holder of two (2) or more Shares and is entitled to attend and vote at the above annual general meeting of the Company (the “**AGM**”) is entitled to appoint no more than two (2) proxies to attend and vote on his/her/its behalf. A proxy need not be a Member.
2. Where a form of proxy appoints more than one (1) proxy (including the case where such appointment results from a nomination by the Depository or HKSCC Nominees), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
3. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its corporate representative at the AGM.
4. To be valid, the instrument appointing a proxy or proxies, or nominating a proxy or proxies on behalf of the Depository together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the office of the Company’s Singapore Share Transfer Agent, Intertrust Singapore Corporate Services Pte. Ltd., at 77 Robinson Road, #13-00 Robinson 77, Singapore 068896 (for Shareholders in Singapore), or at the Company’s Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong (for Shareholders in Hong Kong) not later than 48 hours before the time appointed for holding the AGM or its adjournment (if any).
5. (i) Annual General Meeting

For the purpose of determining the entitlement of the Shareholders to attend and vote at the AGM, for Hong Kong Shareholders, the Hong Kong branch register of members of the Company (the “Register of Members”) will be closed from July 25, 2017 to July 28, 2017, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, Hong Kong Shareholders must lodge all transfer documents accompanied by the relevant share certificates for registration with the Company’s Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on July 24, 2017.

For Singapore Shareholders, the share transfer books and Singapore branch Register of Members will be closed at 5:00 p.m. on July 24, 2017. Duly completed registrable transfers of Shares received by the Company’s share transfer agent, Intertrust Singapore Corporate Services Pte. Ltd. of 77 Robinson Road, #13-00 Robinson 77, Singapore 068896, up to 5:00 p.m. on July 24, 2017 will be registered to determine Singapore Shareholders’ entitlements to attend and vote at the AGM.

- (ii) Proposed Final Dividend

Subject to the receipt of Shareholders’ approval at the AGM, the final dividend will be paid on August 25, 2017. For the purpose of determining the identity of the Shareholders for the dividend entitlement, for Hong Kong Shareholders, the Hong Kong branch Register of Members will be closed from August 15, 2017 to August 17, 2017, both days inclusive. During this period, no transfer of Shares will be registered. In order to qualify for the final dividend, Hong Kong Shareholders must lodge all transfer documents accompanied by the relevant share certificates for registration with the Company’s Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on August 14, 2017.

For Singapore Shareholders, the share transfer books and the Singapore branch Register of Members will be closed at 5:00 p.m. on August 14, 2017. Duly completed registrable transfers of Shares received by the Company’s share transfer agent, Intertrust Singapore Corporate Services Pte. Ltd. of 77 Robinson Road, #13-00 Robinson 77, Singapore 068896, up to 5:00 p.m. on August 14, 2017 will be registered to determine Singapore Shareholders’ entitlements to the proposed final dividend. Singapore Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares as at 5:00 p.m. on August 14, 2017 will be entitled to the proposed final dividend.

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## NOTICE OF ANNUAL GENERAL MEETING

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Any transfer of the Shares between the branch Registers of Members in Singapore and Hong Kong by way of deregistration from one branch Register of Members and registration on the other branch Register of Members has to be made not later than 4.30 p.m. on August 4, 2017 for Hong Kong Shareholders and not later than 5.00 p.m. on August 4, 2017 for Singapore Shareholders. Shareholders who hold their Shares on the Hong Kong branch Register of Members will receive their final dividend payment in Hong Kong dollars, while Shareholders who hold their Shares on the Singapore branch Register of Members will receive their final dividend payment in Singapore dollars.

6. Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules and Rule 730A(2) of the SGX-ST Listing Manual, all resolutions set out in this Notice will be voted by poll.

### **EXPLANATORY NOTES:**

- i. **Further information on the proposed authority to allot and issue new Shares in Ordinary Resolution 7 above is set out in the circular of the Company dated June 27, 2017 (the “Circular”), and in particular, on page 8 thereto.**
- ii. **Detailed information on the Share Buyback Mandate (as defined in Ordinary Resolution 8 above), including the sources of funds to be used for such purchase or acquisition, the amount of financing (if any) and the illustrative financial impact on the Company’s financial position, is set out in the Circular, and in particular, Appendix II thereto.**

*As at the date of this notice, the Board comprises four executive Directors, namely Leung Chun Wah (Chairman), Kwok Chan Cheung (Deputy Chairman), Hon Kar Chun (Managing Director) and Leung Hon Shing; and three independent non-executive Directors, namely Jovenal R. Santiago, Wong Kwan Seng, Robert and Iu Po Chan, Eugene.*