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)

Interim Report 2026

Contents

Corporate Information

DIRECTORS

Executive Director

Xie Lishu *(Chairman)*

Non-executive Director

Huang Shaoli

Independent Non-executive Directors

Chong Eng Wee *(Lead Independent Director)*
Lau Chin Huat
Tso Sze Wai
Jiang Maolin

COMPANY SECRETARY

Chan Lai Yee

AUDIT COMMITTEE

Lau Chin Huat *(Chairman)*
Chong Eng Wee
Tso Sze Wai
Jiang Maolin

NOMINATION COMMITTEE

Chong Eng Wee *(Chairman)*
Huang Shaoli
Lau Chin Huat
Tso Sze Wai
Jiang Maolin

REMUNERATION COMMITTEE

Tso Sze Wai *(Chairman)*
Chong Eng Wee
Lau Chin Huat
Jiang Maolin

COMPLIANCE COMMITTEE

Jiang Maolin *(Chairman)*
Chong Eng Wee
Lau Chin Huat
Tso Sze Wai

EMPLOYEE SHARE OPTION SCHEME COMMITTEE

Xie Lishu *(Chairman)*
Tso Sze Wai

AUTHORISED REPRESENTATIVES

Xie Lishu
Chan Lai Yee

REGISTERED OFFICE

Victoria Place, 5/F
31 Victoria Street
Hamilton HM10
Bermuda

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Management (Bermuda) Limited
Victoria Place, 5/F
31 Victoria Street
Hamilton HM10
Bermuda

Corporate Information

SINGAPORE SHARE TRANSFER AGENT

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower
#14-03/07
Singapore 098632

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point
Hong Kong

INDEPENDENT AUDITOR

Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: Low Bek Teng
(appointed on April 29, 2026)

COMPANY WEBSITE

www.willas-array.com.cn

LISTING INFORMATION

Place of Listing

Main Board of The Stock Exchange of Hong Kong Limited
Main Board of the Singapore Exchange Securities Trading Limited

Stock Code

Hong Kong: 854
Singapore: BDR

Board Lot

Hong Kong: 1,000 shares
Singapore: 100 shares

Financial Highlights

Willas-Array Electronics (Holdings) Limited (the "Company") was incorporated in Bermuda on August 3, 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The issued ordinary shares of the Company (the "Shares") are listed and traded on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Main Board of The Stock Exchange of Hong Kong Limited (the "SEHK").

The board of directors of the Company (the "Directors" and the "Board", respectively) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group", "We" or "Our") for the six months ended June 30, 2026, together with the comparative figures for the six months ended June 30, 2025 as follows:

FINANCIAL HIGHLIGHTS

	For the six months ended June 30,		
	2026	2025	**Change**
	HK$'000	HK$'000	**%**
	(Unaudited)	(Unaudited)	
Revenue	**1,475,191**	1,158,844	**+27.3**
Gross profit	**151,069**	113,719	**+32.8**
Profit before tax	**61,246**	19,653	**NM**
Profit attributable to owners of the Company	**61,470**	20,726	**+196.6**
Basic earnings per share (HK cents)	**59.69**	23.63	**+152.6**

NM – Not Meaningful

BUSINESS REVIEW

The Group recorded its profit to approximately HK$61.5 million for the six months ended June 30, 2026 ("1H FY2026") as compared to a profit of approximately HK$20.7 million for the six months ended June 30, 2025 ("1H FY2025"). The significant improvement in the Group's financial performance during the 1H FY2026 is mainly attributable to:

(i) significant improvement in sales revenue during 1H FY2026 as compared with 1H FY2025;

(ii) decrease in finance costs in 1H FY2026 mainly due to fully repayment of loans from the ultimate holding company in 1H FY2026. No new loan agreements were entered into during 1H FY2026, as well as a lower weighted average effective interest rate compared to 1H FY2025 resulting from an improved loan portfolio of trust receipt loans and bank borrowings; and

(iii) exchange gains in 1H FY2026 as compared to exchange losses in 1H FY2025, arising from the appreciation of the Renminbi against Hong Kong dollar.

Revenue

The Group's revenue increased by 27.3% to HK$1,475.2 million in 1H FY2026 as compared to HK$1,158.8 million in 1H FY2025. This was due to improvements in sales across all its segments except for the lighting segment.

Revenue by Market Segment Analysis

	1H FY2026		1H FY2025		Increase/(Decrease)	
	HK$'000	**%**	HK$'000	%	HK$'000	%
Automotive	**432,577**	**29.3%**	332,102	28.7%	100,475	30.3%
Industrial	**355,918**	**24.1%**	298,886	25.8%	57,032	19.1%
Home Appliance	**193,146**	**13.1%**	190,322	16.4%	2,824	1.5%
Electronic Manufacturing Services ("EMS")	**154,433**	**10.5%**	101,819	8.8%	52,614	51.7%
Audio and Video	**104,827**	**7.1%**	64,179	5.5%	40,648	63.3%
Dealer	**100,735**	**6.8%**	79,792	6.9%	20,943	26.2%
Telecommunications	**92,010**	**6.2%**	63,527	5.5%	28,483	44.8%
Others	**27,440**	**1.9%**	13,278	1.1%	14,162	106.7%
Lighting	**14,105**	**1.0%**	14,939	1.3%	(834)	–5.6%
	1,475,191	**100.0%**	1,158,844	100.0%	316,347	27.3%

Automotive

Revenue from the Automotive segment increased by approximately 30.3% to HK$432.6 million in 1H FY2026, representing 29.3% of the Group's total revenue and remaining the Group's largest market segment. The growth was driven by accelerating automotive intelligence and deeper relationships with leading EV customers, which lifted our share of the revenue.

Industrial

Revenue from the Industrial segment increased by approximately 19.1% to HK$355.9 million in 1H FY2026, accounting for 24.1% of the Group's total revenue. The recovery was supported by a broad-based rebound in industrial automation, robotics, and edge-intelligence spending. Demand for industrial-grade MCUs, isolation components, and high-reliability power management ICs continued to strengthen as customers accelerated factory digitalization and predictive-maintenance programs. We broadened its product portfolio in factory automation, servo drives, and renewable-energy applications, driving a return to growth after last year's contraction.

Home Appliance

Revenue from the Home Appliance segment recorded a marginal increase of approximately 1.5% to HK$193.1 million in 1H FY2026, contributing 13.1% of the Group's total revenue. Segment performance reflected a mixed environment: domestic replacement-cycle demand was partly supported by the trade-in subsidy program. Despite intensified competition from domestic brands, the market share we gained through service quality increased slightly.

EMS

Revenue from the EMS segment increased by approximately 51.7% to HK$154.4 million in 1H FY2026, lifting the segment's share of Group revenue from 8.8% to 10.5%. The rebound was mainly driven by new line introductions and expanded share within key lines.

Audio and Video

Revenue from the Audio and Video segment recorded a significant increase of approximately 63.3% to HK$104.8 million in 1H FY2026, raising the segment's contribution to 7.1% of Group revenue. The recovery was driven by proactive inventory positioning and a broader customer base.

Dealer

Revenue from the Dealer segment increased by approximately 26.2% to HK$100.7 million in 1H FY2026, representing 6.8% of the Group's total revenue. The recovery was supported by tight market supply, extended lead time, and expanded order coverage.

Telecommunications

Revenue from the Telecommunications segment increased by approximately 44.8% to HK$92.0 million in 1H FY2026, contributing 6.2% of the Group's total revenue. The growth was driven by stronger smartphone demand in 1H FY2026 and the ramp-up of new product lines.

Others

Revenue from the Others segment more than doubled, increasing by approximately 106.7% to HK$27.4 million in 1H FY2026, raising its share of Group revenue from 1.1% to 1.9%. The exceptional growth was driven by newly acquired customers, expanded product portfolios, reinforced partnerships with suppliers and clients, which collectively enabled the Group to capture a larger share of business.

Lighting

Revenue from the Lighting segment decreased by approximately 5.6% to HK$14.1 million in 1H FY2026, accounting for 1.0% of the Group's total revenue. The decline reflected continued structural pressure in the general-LED market, where price competition intensified and several core customers further migrated to direct procurement from LED chip suppliers.

Gross Profit Margin

The Group's gross profit margin increased to 10.2% in 1H FY2026 from 9.8% in 1H FY2025 primarily due to the increased sales volume of high-margin products and gains from acquisition of new customers and launch of new products line, and recovery of market demand, and our continued effort on inventory management, did not have low-priced inventory clearance sales in 1H FY2026 as what we did in 1H FY2025, resulting in product pricing returns to normal levels.

Other Income

Other income increased by HK$3.6 million to HK$5.9 million in 1H FY2026 from HK$2.3 million in 1H FY2025, mainly driven by an increase in rental income of HK$3.2 million.

Distribution Costs

Distribution costs increased by HK$4.4 million to HK$15.4 million in 1H FY2026, compared to HK$11.0 million in 1H FY2025, mainly due to increased sales and the increased sales incentive expenses.

Administrative Expenses

Administrative expenses slightly declined by HK$1.8 million, or 2.6% to HK$69.0 million in 1H FY2026 from HK$70.8 million in 1H FY2025. The reduction was primarily due to the Group's proactive review and streamlining of its cost structure, aimed at enhancing better capital efficiency across operations.

Other Gains and Losses

Other gains amounted to HK$0.8 million in 1H FY2026. The increase in other gains was mainly due to an increase in exchange gains amounting approximately HK$0.8 million arising from the appreciation of the Renminbi ("RMB") against both the US dollar ("USD") and the Hong Kong dollar ("HKD") during 1H FY2026 as compared to 1H FY2025.

Impairment Losses (Recognised) Reversed Under Expected Credit Loss Model, Net

Impairment losses of HK$0.8 million in 1H FY2026 (1H FY2025: net reversal of impairment losses of HK$7.0 million) represented the impairment losses on trade receivables.

Finance Costs

Finance costs, which comprise interest expenses on trust receipt loans, bank borrowings, loans from the ultimate holding company and interest on lease liabilities, decreased significantly by HK$4.6 million or 28.9% to HK$11.4 million in 1H FY2026 from HK$16.0 million in 1H FY2025. The decrease was mainly due to net effect of: (i) the lower interest expenses on loans from the ultimate holding company compared to the same period last year due to fully repayment of loans from the ultimate holding company in 1H FY2026; and (ii) a decrease in the weighted average effective interest rate in 1H FY2026 as compared with 1H FY2025 by better loan portfolio which comprises trust receipt loans and bank borrowings.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position

Trust receipt loans decreased by HK$10.2 million to HK$64.8 million as at June 30, 2026, from HK$75.0 million as at December 31, 2025. The decrease was mainly due to lower drawdown of trust receipt loans compared to December 31, 2025.

Trade payables increased to HK$335.2 million as at June 30, 2026, from HK$222.4 million as at December 31, 2025. The increase was mainly due to the increased purchases towards the end of the current interim period as compared with the purchases towards December 31, 2025.

Trade receivable increased by HK$186.3 million to HK$878.1 million as at June 30, 2026, from HK$691.8 million as at December 31, 2025. The increase was due to higher sales revenue towards the end of the current interim period compared with the sales revenue as at December 31, 2025.

As at June 30, 2026, the Group's current ratio (current assets divided by current liabilities) was 1.38 (December 31, 2025: 1.35).

Inventories

Inventories decreased to HK$314.4 million as at June 30, 2026, from HK$335.2 million as at December 31, 2025. The inventory turnover days also improved, decreasing to 1.4 months as at June 30, 2026, from 1.9 months as at December 31, 2025.

Cash Flow

As at June 30, 2026, the Group had a working capital of HK$363.6 million which included a cash balance of HK$132.1 million, as compared to a working capital of HK$296.8 million which included a cash balance of HK$112.0 million as at December 31, 2025. The increase in cash by HK$20.1 million was primarily attributable to the net effect of cash inflow of HK$34.0 million generated from operating activities and cash outflow of HK$12.6 million used in financing activities. The Group's cash balance was mainly denominated in USD, RMB and HKD.

Cash inflow in operating activities was mainly due to the decrease in inventories and increase in trade payables.

Cash outflow from financing activities was mainly attributable to the net effect of (i) decrease in trust receipt loans; (ii) increase in bank borrowings; and (iii) fully repayment of loans from the ultimate holding company in 1H FY2026.

Borrowings and Banking Facilities

As at June 30, 2026, the Group had bank borrowings of HK$525.4 million, which were repayable within one year. Among the Group's bank borrowings, 83.7% was denominated in RMB and the remainder was denominated in HKD. As at June 30, 2026, the fixed-rate bank borrowings and the variable-rate bank borrowings accounted for 90.3% and 9.7%, respectively. The fixed-rate bank borrowings bore interest at a weighted average effective rate of 3.04% per annum, while variable-rate bank borrowings bore interest at a weighted average effective rate of 4.22% per annum.

As at June 30, 2026, trust receipt loans of HK$64.8 million were secured and repayable within one year and bore interest at a weighted average effective rate of 5.43% per annum. 100% of the trust receipt loans was denominated in HKD. As at June 30, 2026, the Group had unutilised banking facilities of HK$152.9 million (December 31, 2025: HK$219.7 million).

As at June 30, 2026, the Group had fully repaid the loans from the ultimate holding company (December 31, 2025: HK$49.6 million).

The aggregate amount of the Group's borrowings and debt securities was as follows:

Amount repayable in one year or less, or on demand

As at June 30, 2026		As at December 31, 2025	
Secured	**Unsecured**	Secured	Unsecured
HK$'000	**HK$'000**	HK$'000	HK$'000
206,603	**318,760**	164,849	295,676

As at June 30, 2026, the Group's trade receivables amounting to HK$160.9 million (December 31, 2025: HK$149.8 million) were transferred to banks by discounting those trade receivables and bills receivables amounting to HK$43.5 million (December 31, 2025: HK$20.3 million) on a full recourse basis. As the Group had not transferred the significant risks and rewards relating to these receivables, it had continued to recognise the full carrying amount of the receivables and had recognised the cash received on the transfer as secured borrowings amounting to HK$172.3 million (December 31, 2025: HK$140.1 million).

As at June 30, 2026, the Group's remaining secured bank borrowings amounting to HK$34.3 million (December 31, 2025: HK$24.7 million) had been secured by the pledge of certain bills receivables held by the Group amounted to nil (December 31, 2025: nil).

Foreign Exchange Risk Management

The Group operates in Hong Kong, the PRC and Taiwan. It incurred foreign currency risk mainly from sales and purchases that were denominated in currencies other than its functional currencies. Sales are mainly denominated in USD, RMB and HKD whereas purchases are mainly denominated in USD, Japanese yen ("JPY"), RMB and HKD. Therefore, the exposure to foreign exchange rate risks mainly arises from fluctuations in foreign currencies against the functional currencies. Given the pegged foreign exchange rate between HKD and USD, the exposure of entities that use HKD as their respective functional currencies to the fluctuations in USD is minimal. However, foreign exchange rate fluctuations between RMB and USD, RMB and JPY, HKD and JPY, or Taiwan dollars and USD could affect the Group's performance and asset value. The Group has a foreign currency hedging policy to monitor and maintain its foreign exchange exposure at an acceptable level.

Net Gearing Ratio

As at June 30, 2026, the Group's net gearing ratio was 79.2% (December 31, 2025: 94.0%). The net gearing ratio was derived by dividing net debts (representing interest-bearing bank borrowings, trust receipt loans, loans from the ultimate holding company and bills payables minus cash and cash equivalents and restricted bank deposits) by shareholders' equity at the end of a given period and multiplied by 100%. The decrease was mainly due to decrease in loans from the ultimate holding company, increases in cash and cash equivalents and shareholders' equity (resulting from the profit in respect of 1H FY2026).

STRATEGY AND PROSPECTS

Building on the strong 1H FY2026 performance, the Group will pursue the following strategic priorities to convert emerging industry tailwinds into durable shareholder value:

Enhancing Our Value to Customers

The Group will sharpen its focus on solving critical customer pain points – cost reduction, shortage delivery, and proactive inventory support. A dedicated non-franchise team has been established to source hard-to-find parts on a project basis, while the Group will onboard additional low-, mid- and high-end product lines to give customers a wider range of choices. The Group will also continue building an Asia-wide logistic network to support customers' overseas expansion, and concentrate its go-to-market efforts on future high-potential verticals, prioritizing quality customer accounts.

Enhancing Our Value to Suppliers

Large distributors typically provide limited support to small- and mid-sized suppliers. The Group will deepen demand-creation engagement with these suppliers to unlock new customer accounts, while in turn capturing incremental fulfilment revenue. The Group will also strengthen new-product promotion with existing suppliers to broaden its customer base.

Build up Talent Pipeline and Aggressive Corporate Culture

The Group will continue to build a high-performing talent pipeline and foster an enterprising, results-oriented team culture. By combining internal cultivation of business talent with selective external recruitment of experienced professionals, the Group will strengthen its succession bench and ensure its people capability scales with the business.

Building on the 27.3% revenue growth and the broad-based segment expansion delivered in 1H FY2026, the Group enters the second half of the year with positive momentum. The Group will continue to invest selectively in high-growth product lines, deepen its synergy with Shanghai YCT, and progressively expand its overseas platform to convert today's structural tailwinds into long-term, profitable growth. While mindful of risks from geopolitical tensions, memory-price volatility and broader economic uncertainties, the Group remains confident that its customer– and supplier-centric strategy, high-performing talent pipeline, and disciplined execution will deliver sustainable growth and lasting shareholder value.

IMPORTANT EVENTS AFFECTING THE GROUP AFTER THE END OF THE INTERIM PERIOD

Reference is made to the Company's announcements dated July 9 and August 26, 2026, in which the Company's subsidiaries have entered into mutual customer referral framework agreements with Shanghai YCT's companies, pursuant to which the parties shall mutually refer potential customers to the other party, facilitate business introductions and promote commercial opportunities and negotiations with such customers. Such agreements are effective for an initial term ending on December 31, 2026.

Save as disclosed in this interim report, no other important events affecting the Group have occurred after the end of the interim period and up to the date of this interim report.

INTERIM DIVIDEND

The Board has resolved not to declare the payment of an interim dividend for the six months ended June 30, 2026 (1H FY2025: nil) as the Group intends to retain cash for its business operations and future growth.

EMPLOYEES AND REMUNERATION POLICIES

As at June 30, 2026, the Group had a workforce of 304 (December 31, 2025: 293) full-time employees, of which 18.4% worked in Hong Kong, 76.6% in the PRC and the remainder in Taiwan.

The Group actively pursues a strategy of recruiting, retaining and developing talented employees by (i) providing them with regular training programmes to ensure that they are kept abreast of the latest information pertaining to the products distributed by the Group, technological developments and market conditions of the electronics industry; (ii) aligning employees' compensation and incentives or bonus with their performance; and (iii) providing them with a clear career path with opportunities for taking on additional responsibilities and securing promotions.

While the Group's employees in Hong Kong and Taiwan are required to participate in the mandatory provident fund scheme and a defined contribution pension scheme respectively, the Group makes contributions to various government-sponsored employee-benefit funds, including social insurance fund, housing fund, basic pension insurance fund and unemployment, maternity and work-related insurance funds for its employees in the PRC in accordance with the applicable PRC laws and regulations.

Further, the remuneration committee of the Board reviews and recommends to the Board the remuneration and compensation packages of the Directors and senior management of the Group by reference to the salaries paid by comparable companies, their time commitment, responsibilities and performance as well as the financial results of the Group. No Director is involved in deciding his or her own remuneration.

CHARGES ON THE GROUP'S ASSETS

As at June 30, 2026, the Group pledged certain properties of HK$62.3 million (December 31, 2025: HK$64.5 million) to secure trust receipt loans of HK$64.8 million (December 31, 2025: HK$75.0 million) and bank borrowings of HK$34.3 million (December 31, 2025: HK$24.7 million).

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at June 30, 2026 (December 31, 2025: nil).

Disclosure of Interests

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at June 30, 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), which were: (i) notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the SEHK (the "HK Listing Rules" and the "HK Model Code", respectively) were as follows:

Long position in the Shares

	Number of Shares Held				
Name of Directors/ Chief Executive	**Personal interests (held as beneficial owner)**	**Family interests (interest of spouse)**	**Corporate interests (interest of a controlled corporation)**	**Total**	**Approximate percentage of total shareholding in the Company[3] (%)**
Xie Lishu[1] ("Mr. Xie")	–	–	76,955,745	76,955,745	74.72
Huang Shaoli[2] ("Ms. Huang")	–	76,955,745	–	76,955,745	74.72

Note:

(1) Mr. Xie, being the chairman of the Board (the "Chairman") and the executive Director, is deemed to be interested in the 76,955,745 Shares held by Texin (Hongkong) Electronics Co. Limited ("Texin"), by virtue of the SFO. Texin is wholly owned by Kunshan Archer Electronics Co. Ltd ("Kunshan Archer"), which is in turn wholly owned by Shanghai YCT Electronics Group Co. Ltd ("Shanghai YCT"). Mr. Xie is the controlling shareholder of Shanghai YCT.

(2) Ms. Huang, being the non-executive Director, is deemed to be interested in the 76,955,745 Shares held by her husband, Mr. Xie, by virtue of the SFO.

(3) The percentage represents the total number of the Shares interested divided by the number of issued Shares as at June 30, 2026 (i.e. 102,989,049 Shares).

Save as disclosed above, as at June 30, 2026, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were: (i) notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO; or (ii) recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the SEHK pursuant to the HK Model Code.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES OR UNDERLYING SHARES

As at June 30, 2026, so far as the Directors are aware, the following corporations which or persons (other than a Director or the chief executive of the Company) who had or were deemed or taken to have interests or short positions in the Shares or underlying Shares, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, were as follows:

Long position in the Shares

	Number of Shares Held				
Name of Shareholders	**Personal interests (held as beneficial owner)**	**Family interests (interest of spouse)**	**Corporate interests (interest of controlled corporations)**	**Total**	**Approximate percentage of total shareholding in the Company[(2)] (%)**
Shanghai YCT[(1)]	–	–	76,955,745	76,955,745	74.72
Kunshan Archer[(1)]	–	–	76,955,745	76,955,745	74.72
Texin[(1)]	76,955,745	–	–	76,955,745	74.72

Notes:

(1) Texin is wholly owned by Kunshan Archer, which is in turn wholly owned by Shanghai YCT. Kunshan Archer and Shanghai YCT are deemed to be interested in the 76,955,745 Shares held by Texin, by virtue of the SFO.

(2) The percentage represents the total number of the Shares interested divided by the number of issued Shares as at June 30, 2026 (i.e. 102,989,049 Shares).

Save as disclosed above, as at June 30, 2026, the Directors are not aware of any corporations which or persons (other than a Director or the chief executive of the Company) who had or were deemed or taken to have interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company had on July 30, 2013 adopted the Willas-Array Electronics Employee Share Option Scheme III ("ESOS III") to grant share options to eligible employees, including the executive directors of the Group for the purpose of providing incentives or rewards for their contribution to the Group.

ESOS III was adopted by an ordinary resolution of the shareholders of the Company (the "Shareholders") at the special general meeting of the Company held on July 30, 2013. ESOS III was expired on July 29, 2023. No new share scheme was adopted following the expiry.

There were no outstanding share options during the current interim report. No share options were granted, exercised, cancelled/lapsed during the current interim period.

Corporate Governance and Other Information

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended June 30, 2026, the Company did not redeem any of its securities listed on the Main Board of the SEHK and the SGX-ST nor did the Company or any of its subsidiaries purchase or sell any of such securities (including the sale of treasury shares). As at June 30, 2026, there were no treasury shares (as defined under the HK Listing Rules) held by the Company.

COMPLIANCE WITH CORPORATE GOVERNANCE CODES

The Board and the Company's management are committed to maintaining high standards of corporate governance. The Board firmly believes that conducting the Group's business in a transparent and responsible manner and following good corporate governance practices serve its long-term interests and those of the Shareholders. The Board considers that during the six months ended June 30, 2026, the Company had complied with all the code provisions set out in the Corporate Governance Code as contained in Part 2 of Appendix C1 to the HK Listing Rules (the "HK CG Code") and the Code of Corporate Governance 2018 of Singapore (last amended January 11, 2023) (the "Singapore CG Code") except those stated in paragraph 3 of this section.

In the event of any conflict among the HK CG Code, the Singapore CG Code and the bye-laws of the Company, the Company will comply with the most onerous provisions. As such, the Board considers that sufficient measures are in place to ensure the adequateness of the Company's corporate governance practices relating to, amongst others, the appointment, retirement and re-election of Directors (including independent non-executive Directors (the "INEDs")).

Provision C.2.1 of the HK CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Provision 3.1 of the Singapore CG Code stipulates that the chairman and the chief executive officer are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. Mr. Xie Lishu ("Mr. Xie") currently assumes the roles of both the chairman of the Board and the chief executive officer of the Company, and has been assuming such roles since October 22, 2025. Mr. Xie has extensive experience and in-depth knowledge in distribution of electronic components business. The Board believes that it is in the best interest of the Company to vest both roles in Mr. Xie, which provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. A lead independent director has been appointed to provide leadership in situations where conflict of interest potentially exists when the chairman executes his duties and INEDs comprise a majority of the Board. The Board believes that a balance of power and authority has been and will be maintained.

COMPLIANCE WITH HONG KONG MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the HK Listing Rules (the "HK Model Code") as its own code of conduct for dealing in the securities of the Company by the Directors. Following a specific enquiry made by the Company with each of the current Directors, all of them confirmed that they had complied with the required standards as set out in the HK Model Code throughout the six months ended June 30, 2026.

REVIEW BY AUDIT COMMITTEE

The Board has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the HK CG Code, the HK Listing Rules, the Singapore CG Code and the Main Board rules of the Listing Manual of the SGX-ST (the "SGX-ST Listing Manual"). The Audit Committee currently comprises all of the four INEDs, namely Lau Chin Huat (committee chairman), Chong Eng Wee, Tso Sze Wai and Jiang Maolin.

The Group's unaudited interim results and the Company's interim report for the six months ended June 30, 2026 have been reviewed by the Audit Committee and the Audit Committee is of the opinion that the preparation of the statements complies with the applicable accounting standards and that adequate disclosures have been made.

UPDATE ON THE DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE HK LISTING RULES

Pursuant to Rule 13.51B(1) of the HK Listing Rules, changes in the information of the Directors since the date of the 2025 annual report of the Company required to be disclosed in this interim report are as follows:

Mr. Chong Eng Wee, an INED, was appointed as a non-executive and independent director of UnUsUal Limited (SGX-ST stock code: 1D1) since August 2026.

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended June 30, 2026

	NOTES	For the six months ended June 30, 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Revenue	3	**1,475,191**	1,158,844
Cost of sales		**(1,324,122)**	(1,045,125)
Gross profit		**151,069**	113,719
Other income		**5,863**	2,334
Distribution costs		**(15,382)**	(10,977)
Administrative expenses		**(68,947)**	(70,768)
Other gains and losses		**811**	(5,650)
Impairment losses (recognised) reversed under expected credit loss ("ECL") model, net	11	**(784)**	7,006
Finance costs		**(11,384)**	(16,011)
Profit before tax		**61,246**	19,653
Income tax credit	4	**224**	1,073
Profit for the period	5	**61,470**	20,726
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss:			
– Exchange differences arising from translation of foreign operations		**9,561**	4,997
Other comprehensive income for the period		**9,561**	4,997
Total comprehensive income for the period attributable to owners of the Company		**71,031**	25,723
Earnings per share			
– Basic (HK cents)	7	**59.69**	23.63
– Diluted (HK cents)		**59.69**	23.63

Unaudited Condensed Consolidated Statement of Financial Position

As at June 30, 2026

	NOTES	As at June 30, 2026 HK$'000 (Unaudited)	As at December 31, 2025 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment	8	**149,451**	150,651
Right-of-use assets	8	**3,097**	1,863
Investment property	8	**44,860**	43,583
Club debentures		**2,001**	2,001
Interest in an associate		**–**	–
Financial assets measured at fair value through other comprehensive income ("FVTOCI")		**15,309**	12,398
Long-term deposits		**1,542**	1,293
Deferred tax assets	9	**466**	–
Total non-current assets		**216,726**	211,789
Current assets			
Inventories		**314,396**	335,204
Trade receivables	10	**878,147**	691,791
Other receivables, deposits and prepayments		**4,185**	7,476
Amounts due from related companies	12	**1,023**	1,192
Income tax recoverable		**155**	154
Cash and cash equivalents		**132,126**	111,993
Total current assets		**1,330,032**	1,147,810
Total assets		**1,546,758**	1,359,599

Unaudited Condensed Consolidated Statement of Financial Position

As at June 30, 2026

	NOTES	As at June 30, 2026 HK$'000 (Unaudited)	As at December 31, 2025 HK$'000 (Audited)
Current liabilities			
Trade payables	15	**335,225**	222,383
Other payables		**28,375**	35,176
Amounts due to related companies	13	**4,413**	4,360
Contract liabilities		**6,368**	2,694
Income tax payable		**132**	73
Trust receipt loans	16	**64,801**	74,953
Bank borrowings	17	**525,363**	460,525
Lease liabilities		**1,732**	1,213
Loans from the ultimate holding company	18	**–**	49,601
Total current liabilities		**966,409**	850,978
Net current assets		**363,623**	296,832
Total assets less current liabilities		**580,349**	508,621
Capital, reserves and non-controlling interests			
Share capital	19	**102,989**	102,989
Reserves		**475,466**	404,435
Equity attributable to owners of the Company		**578,455**	507,424
Total equity		**578,455**	507,424
Non-current liabilities			
Deferred tax liabilities	9	**607**	570
Lease liabilities		**1,287**	627
Total non-current liabilities		**1,894**	1,197
Total liabilities and equity		**1,546,758**	1,359,599

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended June 30, 2026

	Attributable to owners of the Company								
	Share capital HK$'000	**Capital reserves** HK$'000 *(Note i)*	**Statutory reserve** HK$'000 *(Note ii)*	**Property revaluation reserve** HK$'000	**Currency translation reserve** HK$'000	**Financial assets measured at FVTOCI reserve** HK$'000	**Other reserve** HK$'000 *(Note iii)*	**Retained profits** HK$'000	**Total** HK$'000
At January 1, 2025 (Audited)	87,692	198,638	22,045	91,018	(23,562)	(16,448)	(3,475)	62,364	418,272
Total comprehensive income for the period:									
Profit for the period	–	–	–	–	–	–	–	20,726	20,726
Other comprehensive income for the period	–	–	–	–	4,997	–	–	–	4,997
Total	–	–	–	–	4,997	–	–	20,726	25,723
Transactions with owners, recognised directly in equity:									
Transfer of statutory reserve	–	–	(4,184)	–	–	–	–	4,184	–
Total	–	–	(4,184)	–	–	–	–	4,184	–
At June 30, 2025 (Unaudited)	87,692	198,638	17,861	91,018	(18,565)	(16,448)	(3,475)	87,274	443,995
At January 1, 2026 (Audited)	**102,989**	**224,365**	**22,497**	**77,005**	**(17,209)**	**(16,282)**	**(3,475)**	**117,534**	**507,424**
Total comprehensive income for the period:									
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**61,470**	**61,470**
Other comprehensive income for the period	**–**	**–**	**–**	**–**	**9,561**	**–**	**–**	**–**	**9,561**
Total	**–**	**–**	**–**	**–**	**9,561**	**–**	**–**	**61,470**	**71,031**
At June 30, 2026 (Unaudited)	**102,989**	**224,365**	**22,497**	**77,005**	**(7,648)**	**(16,282)**	**(3,475)**	**179,004**	**578,455**

Notes:

(i) Capital reserves comprise share premium, contributed surplus and share options reserve. Contributed surplus represents the difference between the underlying net tangible assets of the subsidiaries which were acquired by the Company at the date of the group reorganisation in 2001 and the nominal amount of the shares issued by the Company under the reorganisation.

(ii) The statutory reserve is non-distributable and was appropriated from profit after tax of the Company's subsidiaries in the People's Republic of China (the "PRC") and Taiwan under the respective laws and regulations of the PRC and Taiwan.

(iii) Other reserve comprises a debit amount of HK$3,475,000 and represents the difference between the fair value of the consideration paid and the carrying amount of the net assets attributable to the additional interest in certain then subsidiaries acquired during the year ended March 31, 2017 and the dissolution of a subsidiary, namely WinStar Smart Technology (Suzhou) Company Limited which principal activities was provision of IoT application services and suffered significant losses in recent years, during the nine months ended December 31, 2024. Provision of IoT application services was not principal business of the Group.

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended June 30, 2026

	For the six months ended June 30,	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Net cash generated from operating activities	**34,018**	219,639
Net cash used in investing activities		
Purchase of property, plant and equipment	**(487)**	(339)
Investments in unlisted equity securities	**(2,373)**	(6,582)
Proceeds from disposal of property, plant and equipment	**59**	–
	(2,801)	(6,921)
Net cash used in financing activities		
Repayments of trust receipt loans and bank borrowings	**(691,798)**	(714,969)
Proceeds from trust receipt loans and bank borrowings	**730,705**	596,527
Repayments of loans from the ultimate holding company	**(50,631)**	(85,051)
Repayment of lease liabilities	**(867)**	(1,386)
	(12,591)	(204,879)
Net increase in cash and cash equivalents	**18,626**	7,839
Cash and cash equivalents at beginning of the period	**111,993**	41,412
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	**1,507**	310
Cash and cash equivalents at end of the period	**132,126**	49,561

1. BASIS OF PREPARATION

Willas-Array Electronics (Holdings) Limited (the "Company") was incorporated in Bermuda on August 3, 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda with its registered office at Victoria Place, 5/F, 31 Victoria Street, Hamilton HM10, Bermuda. Its principal place of business is located at 24/F, Wyler Centre, Phase 2, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong. The issued ordinary shares of the Company are listed and traded on the Main Board of the Singapore Exchange Securities Trading Limited and the Main Board of The Stock Exchange of Hong Kong Limited. The condensed consolidated financial statements are presented in Hong Kong dollars which is also the functional currency of the Company. All values are rounded to the nearest thousand except otherwise indicated.

The immediate holding company of the Company is Texin (HongKong) Electronics Co. Limited, which is in turn wholly owned by Shanghai YCT Electronics Group Co., Ltd. ("Shanghai YCT"), a company incorporated in the People's Republic of China (the "PRC") with its shares listed on the Shenzhen Stock Exchange.

The principal activity of the Company is investment holding and the Company's subsidiaries are principally engaged in the trading of electronic components.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "*Interim Financial Reporting*" ("IAS 34") issued by the International Accounting Standards Board ("IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at fair values, as appropriate.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of the following revised International Financial Reporting Standards ("IFRSs") for the first time for the current period's financial statements.

Amendments to IFRS 9 and IFRS 7	*Classification and Measurement of Financial Instruments*
Amendments to IFRS Accounting Standards	*Annual Improvements to IFRS Accounting Standards – Volume 11*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*

2. PRINCIPAL ACCOUNTING POLICIES – continued

The nature and impact of the amended IFRS Accounting Standard are described below:

(a) In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.

- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.

- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.

- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments had no impact on the Group's interim condensed financial statements.

(b) In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments had no impact on the Group's interim condensed financial statements.

2. PRINCIPAL ACCOUNTING POLICIES – continued

(c) In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts.
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts.
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments had no impact on the Group's interim condensed financial statements.

3. REVENUE AND SEGMENT INFORMATION

A. Disaggregation of revenue from contracts with customers

	For the six months ended June 30,	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Types of goods or service:		
Sales of electronic components	**1,475,191**	1,158,844
Market segments of the customers:		
Automotive	**432,577**	332,102
Industrial	**355,918**	298,886
Home appliance	**193,146**	190,322
Electronic manufacturing services	**154,433**	101,819
Audio and video	**104,827**	64,179
Dealer	**100,735**	79,792
Telecommunications	**92,010**	63,527
Others	**27,440**	13,278
Lighting	**14,105**	14,939
Total	**1,475,191**	1,158,844

In addition, the Group's disaggregation of revenue by geographical market is disclosed in Note 3(B).

3. REVENUE AND SEGMENT INFORMATION – continued

B. Segment information

The Group is engaged in the trading of electronic components. Information reported to the executive directors of the Company, being the Group's chief operating decision maker (the "CODM") for the purposes of resource allocation and assessment of performance is based on geographical locations as follows:

- Southern China Region;
- Northern China Region; and
- Taiwan

In addition, the CODM also reviews revenue by customers' market industries.

The CODM focuses on reportable segment profit which is gross profit earned by each segment. Other income, distribution costs, administrative expenses, other gains and losses, impairment losses (recognised) reversed under ECL model and finance costs are excluded from segment results.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

3. REVENUE AND SEGMENT INFORMATION – continued

B. Segment information – continued

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Six months ended June 30, 2026 (Unaudited)

	Trading of electronic components					
	Southern China Region HK$'000	Northern China Region HK$'000	Taiwan HK$'000	Sub-total HK$'000	Elimination HK$'000	Total HK$'000
Revenue						
Sales – external	568,213	769,726	137,252	1,475,191	–	1,475,191
Sales – inter-company	309,260	390,211	–	699,471	(699,471)	–
	877,473	1,159,937	137,252	2,174,662	(699,471)	1,475,191
Cost of sales	(818,462)	(1,083,416)	(121,715)	(2,023,593)	699,471	(1,324,122)
Gross profit/segment results	59,011	76,521	15,537	151,069	–	151,069
Other income						5,863
Distribution costs						(15,382)
Administrative expenses						(68,947)
Other gains and losses						811
Impairment losses recognised under ECL model, net						(784)
Finance costs						(11,384)
Profit before tax						61,246
Income tax credit						224
Profit attributable to owners of the Company						61,470

3. REVENUE AND SEGMENT INFORMATION – continued

B. Segment information – continued

Six months ended June 30, 2025 (Unaudited)

	Trading of electronic components					
	Southern China Region HK$'000	Northern China Region HK$'000	Taiwan HK$'000	Sub-total HK$'000	Elimination HK$'000	Total HK$'000
Revenue						
Sales – external	474,988	579,863	103,993	1,158,844	–	1,158,844
Sales – inter-company	248,910	331,311	–	580,221	(580,221)	–
	723,898	911,174	103,993	1,739,065	(580,221)	1,158,844
Cost of sales	(676,128)	(856,794)	(92,424)	(1,625,346)	580,221	(1,045,125)
Gross profit/segment results	47,770	54,380	11,569	113,719	–	113,719
Other income						2,334
Distribution costs						(10,977)
Administrative expenses						(70,768)
Other gains and losses						(5,650)
Impairment losses reversed under ECL model, net						7,006
Finance costs						(16,011)
Profit before tax						19,653
Income tax credit						1,073
Profit attributable to owners of the Company						20,726

The management monitors the Group's assets and liabilities in one pool, which is more efficient and effective. Accordingly, no segment assets and liabilities information was presented to the CODM.

4. INCOME TAX CREDIT

	For the six months ended June 30, 2026 HK$'000 (Unaudited)	For the six months ended June 30, 2025 HK$'000 (Unaudited)
The income tax credit comprises:		
Current tax:		
– Hong Kong	**205**	285
– Taiwan	**–**	21
	205	306
Under provision in respect of prior period:		
– Hong Kong	**–**	33
– Taiwan	**–**	22
	–	55
Deferred tax:		
– Credit to the period *(Note 9)*	**(429)**	(1,434)
	(224)	(1,073)

The Company and subsidiaries of the Company incorporated in Hong Kong were subject to Hong Kong Profits Tax at the rate of 16.5% for the six months ended June 30, 2026 and 2025.

Under the Law of the PRC on EIT (the "EIT Law") and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2025: 25%). The tax rate of the Taiwan subsidiary is 20% (2025: 20%).

5. PROFIT FOR THE PERIOD

Profit for the period has been arrived at or after charging (crediting):

	For the six months ended June 30,	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Cost of inventories recognised as expenses *(Note i)*	**1,324,122**	1,045,125
Depreciation of property, plant and equipment	**4,957**	5,931
Depreciation of right-of-use assets	**933**	1,244
Directors' emoluments *(Note ii)*	**1,490**	1,781
Gain on disposal of property, plant and equipment	**(59)**	–
Audit fees		
Paid to auditor of the Company	**660**	819
Paid to other auditors	**270**	269
Non-audit fees		
Paid to auditor of the Company	**–**	–
Paid to other auditors	**–**	–
Staff costs (excluding directors' emoluments) *(Note ii)*	**56,012**	49,581
Net foreign exchange (gain) loss	**(752)**	5,650
Interest income from bank deposits	**(279)**	(179)
Interest expense on borrowings	**11,314**	15,895

Notes:

(i) During the six months ended June 30, 2026, the amount included reversal of allowance for inventories amounting to HK$17,887,000 (2025: HK$18,891,000).

(ii) During the six months ended June 30, 2026, cost of defined contribution plans amounting to HK$7,929,000 (2025: HK$7,218,000), was included in staff costs and directors' emoluments.

6. DIVIDEND

No dividend was declared and paid during the six months ended June 30, 2026 and 2025.

The board of directors of the Company has resolved not to declare any interim dividend for the six months ended June 30, 2026 (2025: nil).

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following:

	For the six months ended June 30,	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**61,470**	20,726

	For the six months ended June 30,	
	2026	2025
	'000	'000
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**102,989**	87,692
Effect of dilutive potential ordinary shares: Share options	**–**	9,969
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**102,989**	87,692

The computation of diluted earnings per share for the six months ended June 30, 2026 and 2025 did not assume the exercise of certain of share options granted by the Company when the exercise price of those share options was higher than the average market price of the shares for the period.

8. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTY

During the current interim period, the Group paid HK$487,000 (2025: HK$339,000) on the acquisition of property, plant and equipment. In addition, the Group disposed of certain property, plant and equipment with a carrying amount of nil, resulting in a gain of HK$59,000. No disposal of property, plant and equipment was made during the six months ended June 30, 2025.

During the current interim period, the Group renewed lease agreements for the use of office and warehouse for two to three years (2025: the Group entered into lease agreement for the use of office for five years) which the Group is required to make fixed monthly or quarterly payments. On the lease modification date, the Group recognised right-of-use asset of HK$2,070,000 and lease liability of HK$2,070,000. For the six months ended June 30, 2025, on the lease commencement date, the Group recognised right-of-use asset of HK$3,166,000 and lease liability of HK$3,166,000.

The Group's owned properties classified as property, plant and equipment were revalued to fair value. The Group's owned properties were reassessed by the directors of the Company. In the opinion of the directors of the Company, the carrying amount of owned properties at the end of current interim period does not differ significantly from their estimated fair values. Consequently, no increase/decrease in fair value of the Group's owned properties has been recognised in property revaluation reserve for the periods ended June 30, 2026 (2025: no increase/decrease in fair value of the Group's owned properties has been recognised in property revaluation reserve).

During the interim periods, the investment property was measured at fair value.

9. DEFERRED TAX

For the purposes of condensed consolidated statement of financial position presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for condensed consolidated statement of financial position purposes:

	As at June 30, 2026 HK$'000 (Unaudited)	As at December 31, 2025 HK$'000 (Audited)
Deferred tax assets	**466**	17,152
Deferred tax liabilities	**(607)**	(17,722)
	(141)	(570)

10. TRADE RECEIVABLES

	As at June 30, 2026 HK$'000 (Unaudited)	As at December 31, 2025 HK$'000 (Audited)
Trade receivables	**884,769**	697,431
Less: allowance for credit losses	**(6,622)**	(5,640)
	878,147	691,791

As at June 30, 2026, total bills received amounting to HK$64,391,000 (December 31, 2025: HK$35,624,000) are held by the Group for future settlement of trade receivables.

All bills received by the Group are with a maturity period of less than one year.

The Group allows a credit period of 30 to 120 days (December 31, 2025: 30 to 120 days) to its trade customers.

10. TRADE RECEIVABLES – continued

The following is an aging analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date or bills issuance date at the end of the reporting periods:

	As at June 30, 2026 HK$'000 (Unaudited)	As at December 31, 2025 HK$'000 (Audited)
Within 60 days	**536,041**	407,356
61 to 90 days	**174,866**	136,160
Over 90 days	**167,240**	148,275
	878,147	691,791

11. IMPAIRMENT LOSSES RECOGNISED (REVERSED) UNDER EXPECTED CREDIT LOSS MODEL, NET

	For the six months ended June 30,	
	2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Impairment losses recognised (reversed) on:		
Trade receivables	**784**	(7,006)

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended June 30, 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2025.

12. AMOUNTS DUE FROM RELATED COMPANIES

	As at June 30, 2026 HK$'000 (Unaudited)	As at December 31, 2025 HK$'000 (Audited)
Trade balance *(Note)*	**1,023**	1,192

Amounts due from related companies are trade-related, unsecured, interest-free and with a credit period of 30 days.

The transactions with the above related companies are disclosed in Note 21(b).

Note: Shanghai YCT (listed on ChiNext Board of the Shenzhen Stock Exchange) and its subsidiaries are defined as related companies.

13. AMOUNTS DUE TO RELATED COMPANIES

	As at June 30, 2026 HK$'000 (Unaudited)	As at December 31, 2025 HK$'000 (Audited)
Amounts due to associate *(Note ii)*:		
Non-trade balance	**3,860**	3,860
Amounts due to other related companies *(Note i)*:		
Trade balance	**553**	500
	4,413	4,360

Amounts due to related companies are unsecured, interest-free and repayable on demand.

The transactions with the above related companies are disclosed in Note 21(a).

Note i: Shanghai YCT (listed on ChiNext Board of the Shenzhen Stock Exchange) and its subsidiaries are defined as related companies.

Note ii: GW Electronics Company Limited is defined as a related company.

14. TRANSFER OF FINANCIAL ASSETS

The following were the Group's trade receivables as at June 30, 2026 and December 31, 2025 that were transferred to banks by discounting those trade receivables and bills received on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowing amounting to HK$172,264,000 (December 31, 2025: HK$140,125,000).

As at June 30, 2026 (Unaudited)

	Trade receivables discounted to banks with full recourse HK$'000	Bills received discounted to banks with full recourse HK$'000	Total HK$'000
Carrying amount of transferred assets	160,920	43,528	204,448
Carrying amount of associated liabilities	(128,736)	(43,528)	(172,264)
Net position	32,184	–	32,184

As at December 31, 2025 (Audited)

	Trade receivables discounted to banks with full recourse HK$'000	Bills received discounted to banks with full recourse HK$'000	Total HK$'000
Carrying amount of transferred assets	149,823	20,267	170,090
Carrying amount of associated liabilities	(119,858)	(20,267)	(140,125)
Net position	29,965	–	29,965

Finance costs recognised for trade receivables and bills received discounted to banks for the period ended June 30, 2026 are HK$998,000 and nil (2025: HK$1,893,000 and HK$1,622,000), respectively, which are included in interest on bank borrowings and trust receipt loans.

15. TRADE PAYABLES

The following is an aging analysis of trade payables presented based on the invoice date or bills issuance date at the end of the reporting periods:

	As at June 30, 2026 HK$'000 (Unaudited)	As at December 31, 2025 HK$'000 (Audited)
Within 30 days	**217,260**	212,453
31 to 60 days	**110,167**	7,485
61 to 90 days	**7,798**	2,445
	335,225	222,383

As at June 30, 2026, HK$272,767,000 (December 31, 2025: HK$159,979,000) of trade payables are eligible for the Group to obtain the trust receipt loans from the banks for settlement of trade payables to the vendors.

16. TRUST RECEIPT LOANS

The trust receipts loans were drawn down by the Group from the banks for settlement of its trade payables. During the period ended June 30, 2026, gross amount of HK$123,120,000 (2025: HK$103,292,000) trade payables have been settled through the trust receipt loans provided by the banks. During the period ended June 30, 2026, gross amount of HK$133,272,000 (2025: HK$218,863,000) trust receipt loans have been repaid to banks.

The trust receipt loans are unsecured, bear fixed-rates with weighted average effective interest rate of 5.43% (December 31, 2025: 6.39%) per annum, and are repayable within one year.

At June 30, 2026, the Group's trust receipt loans with carrying amount of HK$64,801,000 (December 31, 2025: HK$74,953,000) are required to comply with loan covenants to maintain certain amount of the Group's net tangible assets. The Group has complied with the loan covenants for the period ended June 30, 2026 and the year ended December 31, 2025.

17. BANK BORROWINGS

During the current interim period, the Group obtained new bank loans of HK$607,585,000 (2025: HK$187,460,000).

In addition, the Group repaid bank loans of HK$558,526,000 (2025: HK$154,804,000) during the current interim period.

At June 30, 2026, the Group's bank borrowings with carrying amount of nil (December 31, 2025: nil) are required to comply with certain loan covenants. The Group has complied with the loan covenants for the period ended June 30, 2026 and the year ended December 31, 2025.

The weighted average effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

	As at June 30, 2026 (Unaudited)	As at December 31, 2025 (Audited)
Weighted average effective interest rate:		
– fixed-rate borrowings	**3.04%**	3.14%
– variable-rate borrowings	**4.22%**	4.18%

18. LOANS FROM THE ULTIMATE HOLDING COMPANY

On September 29, 2025, Shanghai YCT, the ultimate controlling shareholder of the Company, entered into loan agreement (the "2025 Loan") with the Company together with the Company's PRC subsidiaries to replenish the Group's working capital and for repayment of the Group's higher-interest-rate trust receipt loans. According to the 2025 Loan, Shanghai YCT would grant loans at the aggregating amount not more than RMB100,000,000 with effective interest rate at 4.8% per annum to the Company and the Company's PRC subsidiaries. Such loans are unsecured and repayable in one year.

The entry by the Company and the Company's PRC subsidiaries into the 2025 Loan with Shanghai YCT constitutes a connected transaction of the Company under Chapter 14A of the HK Listing Rules and an interested person transaction under Chapter 9 of the SGX-ST Listing Manual. However, as the financial assistance provided under the 2025 Loan is on normal commercial terms or better and is not secured by the assets of the Group, the 2025 Loan is fully exempt from the announcement, circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.90 of the HK Listing Rules.

The entry into the 2025 Loan was announced by the Company on September 29, 2025 pursuant to Rule 905(2) of the SGX-ST Listing Manual as the aggregate value of interested person transactions with Shanghai YCT and its subsidiaries (excluding companies within the Group) during the financial year ended December 31, 2025 had, as at such date, exceeded 3% of the Group's then latest audited net tangible assets.

As at June 30, 2026, the loan was fully repaid. As at December 31, 2025, the carrying amount of the loan from Shanghai YCT was HK$49,601,000, including loan interest of HK$118,000.

19. SHARE CAPITAL

	Number of shares '000	Share capital HK$'000
Ordinary shares of HK$1.0 each		
Authorised:		
At January 1, 2025 (Audited), June 30, 2025 (Unaudited), January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	120,000	120,000
Issued and paid up:		
At January 1, 2025 (Audited) and June 30, 2025 (Unaudited)	87,692	87,692
Exercise of share options	297	297
Issuance of ordinary share *(Note)*	15,000	15,000
At January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	**102,989**	**102,989**

Note: On June 12, 2025, the Company entered into six separate subscription agreements with each of the six subscribers respectively, pursuant to which the Company has agreed to allot and issue and the six subscribers have conditionally agreed to subscribe for an aggregate of 15,000,000 new shares at the subscription price of HK$2.66 (equivalent to approximately S$0.44 based on the prevailing exchange rate of S$ to HK$ of S$1 to HK$6.09) per subscription share on the terms and subject to the conditions set out in the subscription agreements. The subscriptions were completed on July 15, 2025.

20. SHARE-BASED PAYMENTS

The Company adopted the Willas-Array Electronics Employee Share Option Scheme III ("ESOS III") to grant share options to eligible employees, including the executive directors of the Company and its subsidiaries. Details of the share options schemes and fair value measurement of share options were disclosed in the Group's annual financial statements for the year ended December 31, 2025.

On December 2, 2020, the Company granted share options exercisable for 3,835,000 ordinary shares of HK$1.00 each of the Company to certain eligible employees under ESOS III with an exercise price of HK$2.61 per share. The period for the exercise of the share options will commence after the first anniversary of the date of grant and expire on the tenth anniversary of such date of grant. The total estimated fair value as at the date of grant was approximately HK$2,817,000.

20. SHARE-BASED PAYMENTS – continued

There are no share options remaining under ESOS III as at December 31, 2025 and June 30, 2026.

The table below discloses movement of the Company's share options granted under ESOS III:

	Number of share options
Outstanding at January 1, 2025 (Audited) and June 30, 2025 (Unaudited)	347,000
Forfeited during the period	(50,000)
Exercised during the period	(297,000)
Outstanding at January 1, 2026 (Audited) and June 30, 2026 (Unaudited)	**–**

During the six months ended June 30, 2026 and 2025, no share-based payment expense was recognised in profit or loss.

21. RELATED COMPANY TRANSACTIONS

(a) Transactions and balances with an associate

At the end of the reporting period, the Group has the following balances with its associate:

	As at June 30, 2026 HK$'000 (Unaudited)	As at December 31, 2025 HK$'000 (Audited)
Associate		
– other receivables *(Note)*	**–**	532
Impairment loss	**–**	(532)
	–	–
– amounts due to related companies	**(3,860)**	(3,860)

Amounts due to associate are unsecured, interest-free and repayable on demand.

Note: As at the end of the reporting period, management has recognised lifetime ECL of nil (December 31, 2025: HK$532,000) on the amount due from its associates.

21. RELATED COMPANY TRANSACTIONS – continued

(b) Transactions and balances with related companies

Saved as those disclosed elsewhere in these condensed consolidated financial statements, the Group has the following transactions with its related companies during the six months ended June 30, 2026 and 2025:

	For the six months ended June 30,	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Received from Shanghai YCT and entities controlled by Shanghai YCT		
– Sales of electronic components	**2,926**	1,985
– Rental and related services income		
Rental income of office	**961**	388
Rental income of warehouse	**381**	387
Provision of warehousing and logistics services	**2,952**	577
– Provision of agency income	**89**	–
Paid to Shanghai YCT and entities controlled by Shanghai YCT		
– Purchases of electronic components	**2,872**	927
– Interest expense	**303**	4,756

Note: Interest expense was incurred for the Loan from Shanghai YCT, for details please refer to Note 18.

21. RELATED COMPANY TRANSACTIONS – continued

(c) Compensation of directors and key management personnel

The emoluments of directors and other members of key management during the six months ended June 30, 2026 and 2025 are as follows:

	For the six months ended June 30,	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Short-term benefits	**5,977**	5,076
Post-employment benefits	**276**	191
	6,253	5,267

The emoluments of directors and key management are determined by the remuneration committee having regard to the performance of individuals and market trends.

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation process

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the management of the Company determines the fair value by reference to the valuation carried out as of the end of reporting period by banks and financial institutions for foreign currency forward contracts.

The fair values of financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable:

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

The management of the Group reports the findings to the directors of the Company every half year to explain the cause of fluctuations in the fair value of the financial assets and financial liabilities.

There were no transfers between the different levels of the fair value hierarchy during the six months ended June 30, 2026.

The directors of the Company consider that the carrying amounts of financial assets and liabilities recognised in the condensed consolidated financial statements at amortised costs approximate their fair values.

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