

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Singapore Exchange Securities Trading Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this announcement.



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)

POSITIVE PROFIT ALERT

This announcement is made by Willas-Array Electronics (Holdings) Limited (the “Company” and, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HK Listing Rules”) and the Inside Information Provisions (as defined in the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as well as in accordance with Rule 703 of the Listing Manual of Singapore Exchange Securities Trading Limited.

The board of directors of the Company (the “Board”) is pleased to inform the shareholders and potential investors of the Company that, based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group for the three months ended December 31, 2020 (“3Q FY2021”) and nine months ended December 31, 2020 (“YTD 3Q FY2021”) (collectively, the “Unaudited Management Accounts”), it is expected that the Group is likely to record a consolidated net profit of approximately HK\$36.9 million for 3Q FY2021 as compared to a consolidated net loss of approximately HK\$4.5 million for the three months ended December 31, 2019 (“3Q FY2020”). It is also expected that the Group is likely to record a consolidated net profit of approximately HK\$59.3 million for YTD 3Q FY2021 as compared to a consolidated net loss of approximately HK\$60.3 million for the nine months ended December 31, 2019 (“YTD 3Q FY2020”).

The expected consolidated net profit for 3Q FY2021 is mainly attributable to:

- (i) an increase in sales revenue in 3Q FY2021 mainly from the Industrial and Automotive segments as compared to 3Q FY2020;
- (ii) an increase in gross profit margin in 3Q FY2021 which was mainly attributable to a significant decrease in clearance of buffer stocks as compared to 3Q FY2020;
- (iii) receipt of non-recurring subsidies under the Employment Support Scheme under the Anti-epidemic Fund launched by the Hong Kong Special Administrative Region Government and the reduction and exemption of corporate social insurance premiums granted by the Chinese government as part of their COVID-19 relief measures during 3Q FY2021; and
- (iv) an exchange gain of approximately HK\$9.9 million in 3Q FY2021 when compared to an exchange gain of approximately HK\$4.2 million in 3Q FY2020, both arising from the appreciation of the Renminbi.

The expected turnaround in consolidated results from a net loss for YTD 3Q FY2020 to a net profit for YTD 3Q FY2021 is mainly attributable to the following factors:

- (i) an increase in gross profit margin in YTD 3Q FY2021 which was mainly attributable to a significant decrease in clearance of buffer stocks as compared to YTD 3Q FY2020;
- (ii) a reversal of stock provision of approximately HK\$12.0 million made in YTD 3Q FY2021, as compared to a stock provision of approximately HK\$18.8 million for slow-moving inventories made in YTD 3Q FY2020;
- (iii) receipt of non-recurring subsidies under the Employment Support Scheme under the Anti-epidemic Fund launched by the Hong Kong Special Administrative Region Government and the reduction and exemption of corporate social insurance premiums granted by the Chinese government as part of their COVID-19 relief measures during YTD 3Q FY2021; and
- (iv) an exchange gain of approximately HK\$11.7 million arising from the appreciation of the Renminbi in YTD 3Q FY2021, as compared to an exchange loss of approximately HK\$12.5 million arising from the depreciation of the Renminbi in YTD 3Q FY2020.

The Company is in the process of preparing and finalising the Group’s results for 3Q FY2021 and YTD 3Q FY2021. The information contained in this announcement is solely based on the information currently available to the Board and the Board’s preliminary assessment of the Unaudited Management Accounts, which has neither been reviewed or finalised by the audit committee of the Company, nor reviewed or audited by the external auditors of the Company. Details of the unaudited financial results of the Group for 3Q FY2021 (the “3Q FY2021 Results”) and YTD 3Q FY2021 (the “YTD 3Q FY2021 Results”) respectively are expected to be published in mid-February 2021. Shareholders are advised to read the Company’s announcement of the 3Q FY2021 Results and YTD 3Q FY2021 Results in detail once it is available.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company and, in case of doubt, to seek independent advice from professional or financial advisers.

By Order of the Board
Willas-Array Electronics (Holdings) Limited
Leung Chun Wah
Chairman and Non-executive Director

Hong Kong/Singapore, January 14, 2021

As at the date of this announcement, the Board comprises one Non-executive Director, namely Leung Chun Wah (Chairman); three Executive Directors, namely Hon Kar Chun (Managing Director), Leung Hon Shing and Leung Chi Hang Daniel; and three Independent Non-executive Directors, namely Wong Kwan Seng, Robert, Iu Po Chan, Eugene and Lim Lee Meng.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.