WILLAS-ARRAY™
威雅利電子(集團)有限公司
Willas-Array Electronics (Holdings) Limited

FOR IMMEDIATE RELEASE

Willas-Array records sales of HK$851.4 million in 3Q FY2020

- *Records sales of HK$2,523.8 million for the nine months ended 31 December 2019.*
- *Supported by robust domestic demand, growth segments including Home Appliance and Automotive achieved strong double-digit growth in 3Q FY2020.*

Financial Highlights in HK$'m	**3 months ended 31 December**			**9 months ended 31 December**		
	3Q FY2020	**3Q FY2019**	**% Change**	**YTD 3Q FY2020**	**YTD 3Q FY2019**	**% Change**
Revenue	**851.4**	862.8	(1.3)	**2,523.8**	3,017.7	(16.4)
Gross profit	**57.0**	73.3	(22.2)	**156.2**	280.6	(44.3)
(Loss) profit attributable to owners of the Company	**(4.5)**	(6.4)	(29.9)	**(60.3)**	0.3	NM
Basic (loss) earnings per share (HK cents)*	**(5.29)**	(7.54)	(29.8)	**(70.80)**	0.35	NM
NAV per share (HK cents)[+]	**685.11** (as at 31 Dec 2019)			787.05 (as at 31 Mar 2019)		

** Basic (loss) earnings per share was computed based on 85,207,049 weighted average number of shares in 3Q FY2020 and YTD 3Q FY2020 (3Q FY2019: 85,207,049 ; YTD 3Q FY2019: 84,682,209).*

[+] *NAV was computed based on 85,207,049 ordinary shares.*

SINGAPORE – 14 February 2020 – Willas-Array Electronics (Holdings) Limited (**"Willas-Array"** or the **"Group"**), one of the largest Hong Kong-based distributors of electronics components in the Greater China region, will continue to deploy resources to its key growth segments of Industrial, Home Appliance and Automotive segments, which remained supported by China's strong domestic consumption.

The Group's performance for the three months ("**3Q FY2020**") and nine months ("**YTD 3Q FY2020**") ended 31 December 2019, continued to be weighed down by the prolonged US-China trade dispute, which had impacted China's exports negatively and resulted in negative growth across the Group's export and Renminbi sensitive segments.

On a quarterly basis, the Group achieved revenue of HK$851.4 million, which was 1.3% lower than the previous corresponding quarter in 2018 ("**3Q FY2019**"). Over the same period, the Group tightened its cost control and reduced its overall expenses to narrow its net attributable loss to HK$4.5 million as compared to HK$6.4 million in 3Q FY2019.

Buoyed by robust domestic demand for energy saving features, the Group's Home Appliance segment was the star performer in 3Q FY2020 with a 51.0% year-on-year ("**YOY**") leap in sales to HK$191.9 million, followed by the Automotive segment, which expanded 20.0% YOY to HK$141.4 million benefitting from the tightening of the emission standard and more upgraded features in new cars. The Group's main revenue contributor – the Industrial segment – maintained sales at the same level YOY, achieving revenue of HK$231.5 million, while its Lighting segment grew strongly by 44.5% YOY to HK$33.8 million mainly due to a key customer winning a domestic project in stage lighting. The stellar sales from these segments were partially offset by weaker performance in the Group's other segments.

Overall gross profit margin ("**GPM**") came in at 6.7% during the quarter under review, compared to 8.5% in 3Q FY2019 mainly due to intense price competition and clearance of buffer stock. Despite the YOY decline, the 3Q FY2020 GPM is an improvement over the six months ended 30 September 2019, when it was 5.9%.

On a year-to-date basis, the Group's revenue fell 16.4% YOY to HK$2,523.8 million in YTD 3Q FY2020, with GPM at 6.2% compared to the previous corresponding period. Net attributable loss was HK$60.3 million as compared to net attributable profit of HK$0.3 million in YTD 3Q FY2019.

The Group's net asset value per share was 685.11 HK cents as at 31 December 2019 as compared to 787.05 HK cents as at 31 March 2019.

At 31 December 2019, the Group had a working capital of HK$312.8 million, which included a cash balance of HK$239.6 million, compared to a working capital of HK$398.9 million, which included a cash balance of HK$297.5 million as at 31 March 2019. The decrease in cash was mainly due to the net effect of cash outflows of HK$3.3 million in investing activities and HK$272.6 million in financing activities and a cash inflow of HK$215.7 million generated from operating activities.

Willas-Array's Chairman, Mr Lawrence Leung, said: *"We are cautiously optimistic that recent signing of Phase One of the US-China trade deal will bring a temporary truce to trade tensions between the two countries. At the same time, we are mindful that the recent outbreak of the new* *coronavirus disease 2019 (COVID-19) has affected China badly with several areas under heavy quarantine and factories forced to close, which would affect the global supply chain and put a drag on the economy. We will continue to monitor the macro-environment closely, while ensuring that our operations remain sustainable and that we maintain a healthy liquidity position. We remain committed to strengthening our value-added services and engineering capabilities so that we are ready to leap on any turnaround in the operating environment when it comes."*

About Willas-Array Electronics (Holdings) Limited

Established in the early 1980s, and listed on the Main Board of Singapore Exchange Securities Trading Limited in 2001 (SGX: BDR) and also on the Main Board of The Stock Exchange of Hong Kong Limited in 2013 (SEHK: 854), Hong Kong-based Willas-Array Electronics (Holdings) Limited ("Willas-Array" and together with its subsidiaries, the "Group") is principally engaged in the distribution of electronic components for use in the industrial, audio and video, telecommunications, home appliance, lighting, electronic manufacturing services and automotive segments, as well as the provision of engineering solutions.

Backed by long-standing relationships with over 20 internationally reputable principal suppliers, Willas-Array carries a wide product mix, distributing and marketing over 10,000 product items which cater to over 3,000 customers. Its main markets are in mainland China, Hong Kong and Taiwan.

The Group's reputation is well-established among suppliers, customers and banks, many of whom are its long-term partners. Its sound management policies have ensured healthy inventory and cash flow levels. The Group was generally able to achieve healthy financial results and has strong profit track record period.

In mainland China, Willas-Array has established a network of offices strategically located in Beijing, Chengdu, Chongqing, Guangzhou, Qingdao, Shanghai, Shenzhen, Xiamen and Zhongshan. It has a wholly-owned subsidiary, in the Free Trade Zone in Shanghai, which serves as a logistics centre for the Group in northern China. Willas-Array also has a wholly-owned subsidiary in Taipei to tap on the growing number of large electronic manufacturers in Taiwan doing business in China.

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