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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)

**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS
RECEIVED FROM SHAREHOLDERS IN RESPECT OF THE
ANNUAL GENERAL MEETING TO BE HELD ON JULY 31, 2024**

The board of directors (the “**Board**”) of Willas-Array Electronics (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to (i) the circular of the Company dated July 8, 2024 (the “**Circular**”) and (ii) the notice of the annual general meeting of the Company dated July 8, 2024, in particular, the invitation to Shareholders to submit questions in advance of the 2024 AGM.

Unless the context otherwise requires, capitalised terms used in this announcement have the same meaning as defined in the Circular.

The Company sets out herein the substantial and relevant questions that it has received from a Shareholder as at 5:00 p.m. on July 19, 2024 and the accompanying responses of the Company.

Questions from a Shareholder

1.	<i>In the annual report of the Company for FY2024 (the “Annual Report”), in respect of the inventories on pages 14 and 204, provision was made for slow moving inventories at HK\$83.4 million on page 14, while the inventories was at HK\$707.6 million in FY2024 on page 204.</i> <i>(a) The provision was almost 12% to the inventories. Is this industry norm? Is this concurred by external auditors?</i> <i>(b) What was the average stock turnover for FY2024 vs FY2023?</i>
	Company’s response: <i>Response to Question 1(a):</i> We have crossed check the stock provision ratio with comparable companies in the same industry and found that our stock provision ratio is not significantly different from the industry norm under current market conditions. Furthermore, our external auditors have concurred with the provision for inventories during the annual audit. <i>Response to Question 1(b):</i> The inventory turnover days increased to 101 days as at March 31, 2024, from 75 days as at March 31, 2023.
2.	<i>In the Annual Report, in respect of the investment property on pages 201 to 202, why does the company invest in residential property? Is this being rented out or used by staff?</i>
	Company’s response: The investment property is being held for long-term investment purpose to earn rentals as other income attributed to the Group
3.	<i>In the Annual Report, in respect of club debentures on page 202, are this corporate membership in clubs? What are the club(s) subscribed? Is this used for staff?</i>
	Company’s response: Yes, these are corporate memberships in Golf & Country Club mainly used by the management for business use/meetings with our customers/vendors. We have subscribed for corporate memberships with The Clearwater Bay Golf & Country Club, Sand River Golf Club and Long Island Golf & Country Club.

4.	<i>In the Annual Report, in respect of segment information on page 183, our markets are mainly China and Taiwan, with no mention in Japan. Why is there Japanese yen (“JPY”) in cash holdings on page 209 in the Annual Report? Are we sourcing electronic parts from Japan? Are we paying suppliers in JPY? Are there any other assets in JPY?</i>
	Company’s response: Since we source electronic components from suppliers in Japan, JPY is being held for settlement of the accounts payable. There are no other assets in JPY.

5.	<i>In respect of outlook of the Company,</i> <i>(a) What is the impact to our financials if electric vehicles produced in China are severely hit by taxation in the United States on electric vehicles exports to the United States of America (“USA”)?</i> <i>(b) Have the Board considered the waves of artificial intelligence (“AI”) coming to Asia? Any opportunities to explore in, e.g. AI-related products?</i>
	Company’s response: <i>Response to Question 5(a):</i> According to the data from China Passenger Car Association, the total number of passenger cars exported from China to the USA in 2023 was 74,800, which accounted for 1.4% of China’s total exports; of which new energy passenger cars exported accounted for 18,600 for 0.4%. The tariffs imposed by the USA on electric cars exported to the USA will not have a real impact on the financial position of the Company. In recent years, driven by the trend of electric vehicles, intelligence and interconnectivity, the value of automotive electronic components has been increasing, which drove the growth rate of automotive-grade semiconductors to be higher than the growth rate of vehicle sales, resulting in a rapidly growing market scale for automotive electronics. The Company shall put automotive electronics as its key development focus to enhance the market coverage of the Company’s products and further improve the profitability of the Company, so as to enable the Company to achieve high-quality and sustainable development. <i>Response to Question 5(b):</i> With the continuous improvement of AI, the Company is also developing into AI industrial chain to inject new impetus for future development.

By Order of the Board
Willas-Array Electronics (Holdings) Limited
Fan Qinsheng
Executive Director

Hong Kong/Singapore, July 26, 2024

As at the date of this announcement, the Board comprises two Non-executive Directors, namely Xie Lishu (Chairman) and Huang Shaoli; one Executive Director, Fan Qinsheng; and four Independent Non-executive Directors, namely Chong Eng Wee (Lead Independent Director), Lau Chin Huat, Tso Sze Wai and Jiang Maolin.

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