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Willas-Array achieves 61.1% growth in net profit to HK\$50.5 million for 1H2011

- Revenue surges 49.6% to HK\$2.0 billion in 1H2011*
- Sterling results firmly demonstrate the rewards from the Group's focused strategy in China*

<i>Financial Highlights in HK\$'m</i>	6 months ended 30 September		
	1H2011	1H2010	% Change
Revenue	1,987.2	1,328.1	49.6
Gross profit	204.9	140.9	45.4
Profit before tax	65.8	36.9	78.5
Profit attributable to shareholders	50.5	31.4	61.1

SINGAPORE – 12 November 2010 – Willas-Array Electronics (Holdings) Limited (“Willas-Array” or “The Group”), one of the largest Hong Kong-based distributors of electronics components in the Asia Pacific region, today reported an impressive 61.1% growth in net profit attributable to shareholders to HK\$50.5 million for the first six months ended 30 September 2010 (“1H2011”), from HK\$31.4 million in the previous half year (“1H2010”).

Revenue for 1H2011 surged 49.6% to HK\$2.0 billion, from HK\$1.3 billion in 1H2010, largely due to an increase in sales from China. In the recent years, Willas-Array has been expanding the depth and breadth of its market presence in China.

“Our focus, experience and in-depth knowledge of the China market have enabled us to interpret, to an extent, the market indicators in China and take actions to effectively

respond to competitive electronic components industry. We have continued to expand our sales and marketing network, which we have established over the years, and stepped up on sales and marketing efforts to capitalise on the economic growth and increase in consumer spending in China. With the rise in domestic consumption, our customers, who are mainly electronics manufacturers, have experienced an increase in sales even in the more remote areas, which in turn benefited us,” said Mr Lawrence Leung, Chairman of Willas-Array.

Based on the latest set of half-year results, basic earnings per share for 1H2011 rose to 16.29 HK cents, up from 10.11 HK cents in 1H2010. Net asset value per share as at 30 September 2010 stood at 139.73 HK cents, as compared to 132.54 HK cents as at 31 March 2010.

Outlook

To continue on its growth path, the Group will maintain its unwavering focus on China where it aims to further strengthen its presence.

“Our China focus has given us a competitive edge in the local market and enabled us to establish a leading market position over time. China has been, and will continue to be, the backbone of our growth as we hold firm in our belief in its immense potential. We will continue monitor the market situation closely and look out for further opportunities in the world’s second largest economy,” said Mr Leung.

Despite the Group’s commendable performance in 1H2011, the Management remains cautious in its outlook.

“While we have achieved another set of satisfactory results, we need to continue to be vigilant as global economic indicators are not as optimistic. Economic recovery in the US continues to be weak and the eurozone debt crisis has yet to be completely resolved. Closer to home, the sustainability of domestic consumer spending in China remains uncertain. Foreign currency fluctuations, such as the appreciation of the Japanese Yen and revaluation of the Chinese Yuan, may also affect our operations. All these, coupled with the increase in production capacity and supply of electronic components in the market, may lead to a more competitive business environment,” explained Mr Leung.

Operationally, the Group will continue to sharpen its material and resource planning, ensuring an optimal inventory level that aligns supply with demand. Willas-Array will also continue with its prudent capital management by tightening cost and credit controls and maintaining a healthy liquidity position. At the same time, the Group will concentrate on maintaining strong relationships with quality principals and delivering higher level of service to its customers via a wide range of creative product solutions to cater to their needs.

About Willas-Array Electronics (Holdings) Limited

Established in the early 1980s and listed on the Main Board of the Singapore Exchange in 2001, Hong Kong-based Willas-Array is principally engaged in the distribution of active and passive components for use in the audio/video, telecommunications, industrial, consumer and computer segments. Backed by long-standing relationships with over 20 reputable Principals, Willas-Array carries a wide product mix, distributing and marketing in excess of 10,000 product items which cater to over 2,000 active customers. Its main markets are in Hong Kong and China.

In China, Willas-Array has established a network of offices strategically located in Beijing, Chengdu, Guangzhou, Qingdao, Shanghai, Shenzhen, Tianjin, Xiamen, and Zhongshan. It has a subsidiary in the Free Trade Zone in Shanghai which serves as a logistics centre for the Group in North 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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