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

FOR IMMEDIATE RELEASE

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Willas-Array achieves net profit attributable to shareholders of HK$44.5 million

- *Group remains profitable despite market conditions affecting demand for its products*
- *Recommends a first and final dividend of 6.088 Hong Kong cents or 1.0 Singapore cents per ordinary share as well as a special dividend of 1.826 Hong Kong cents or 0.3 Singapore cents*
- *Strategies to curtail expenses and tighten operational management will help the Group tide through the challenging times*

Financial Highlights in HK$'m	**12 months ended 31 March**		
	FY2012	**FY2011**	**% Change**
Revenue	**3,262.1**	3,797.1	↓ 14.1
Gross profit	**302.7**	385.7	↓ 21.5
Profit before tax	**55.9**	110.0	↓ 49.2
Profit attributable to shareholders	**44.5**	86.0	↓ 48.2

SINGAPORE – 29 May 2012 – SGX mainboard-listed **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, has remained profitable for the full year ended 31 March 2012 ("FY2012") despite intense competition and weak consumer market sentiments.

The Group's net profit attributable to shareholders fell 48.2% to HK$44.5 million in FY2012 from HK$86.0 million in the previous year ("FY2011"). The drop in net profit was largely attributable to the 14.1% dip in revenue to HK$3.3 billion due to weak consumer buying sentiments and demand-side slowdown, which was made worse by Europe's ongoing sovereign debt crisis. Consequently, gross profit margin for the full year ended 31 March 2012 also fell to 9.28% as compared to 10.16% in the previous corresponding period.

Commenting on the financial performance, Willas-Array Chairman, Mr Lawrence Leung, said, "FY2011 was an unusually good year for Willas-Array due mainly to the strong performance of our China operations, which benefitted from the Chinese government's efforts to stimulate the economy, but the more challenging economic conditions in FY2012 made it difficult for us to replicate similar results. There was also an oversupply of inventory as a result of the rapid recovery in overall production capacity of electronic components from Japanese manufacturers to pre-tsunami levels, which was not matched by market demand. This resulted in intense competition amid a depressed economic environment, which in turn led to downward price pressures on the electronic components market.

"Although these factors affected our performance in FY2012, the Group was able to maintain profitability with healthy cash flows because of stringent controls over our expenses. In addition, years of building and refining our assets have enabled us to face difficult situations with confidence."

As at 31 March 2012, the Group had strong working capital of HK$422.9 million, which included a cash balance of HK$333.3 million, as compared to HK$360.0 million and HK$417.1 million respectively as at 31 March 2011.

Based on the latest set of full year results, basic earnings per share for FY2012 fell to 11.99 HK cents, down from 26.82 HK cents in FY2011. Net asset value per share as at 31 March 2012 stood at 142.8 HK cents, as compared to 152.6 HK cents a year ago.

Outlook

The Group expects the operating environment to remain challenging especially with global consumer sentiment being affected by the long drawn economic issues in Europe and in the US, and the Chinese economy also beginning to lose steam. These factors, together with higher business costs and volatile prices of oil and other raw materials, contribute to the uncertainty faced by companies worldwide.

Mr Leung added, "We expect competition in the components market to intensify further in the coming months. Inflation and the rising costs in China will also make conditions more difficult, however we will remain watchful over the ever-changing economic and market environments and adapt to ensure the long term profitability and growth of the Group."

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 to maintain 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.

Proposed Dividend Payout

The Board of directors have proposed a first and final dividend of 6.088 Hong Kong cents or 1.0 Singapore cents per share based on 372,720,000 ordinary shares in issue. In addition, the Board has also proposed a special dividend of 1.826 Hong Kong cents or 0.3 Singapore cents in celebration of Willas-Array's 30th anniversary this year. Both proposals will be for approval of shareholders at the Annual General Meeting on 30 July 2012. If approved, the dividend will be paid on 21 August 2012.

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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 industrial, audio and video, telecommunications, home appliance, lighting, EMS, automotive, and dealer 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 Mainland China and Hong Kong.

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 and a strong profit track record throughout its 30-year history during which the Group recorded only one year of losses since it was established in 1981.*

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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