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威雅利電子(集團)有限公司

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Hong Kong stock code: 854)

(Singapore stock code: W12)

DISCLOSEABLE TRANSACTION UNDER THE HK LISTING RULES — FURTHER CAPITAL INJECTION INTO AN ASSOCIATED COMPANY

CAPITAL INJECTION AGREEMENT

The Company and G.M.I. Technology currently indirectly hold 49% and 51% respectively in the issued share capital of the Associated Company.

The Board announces that on 2 May 2014, the Company, G.M.I. Technology and the Associated Company entered into the Capital Injection Agreement pursuant to which the Company and G.M.I. Technology agreed to inject additional capital into the Associated Company by way of Subscription on a pro-rata basis through their respective wholly owned subsidiaries.

Under the Capital Injection Agreement, each of the Company and G.M.I. Technology will contribute HK\$49,000,000 and HK\$51,000,000 respectively to the share capital of the Associated Company by way of Subscription on a pro-rata basis through their respective wholly owned subsidiaries. Upon completion of the Capital Injection, the share capital of the Associated Company will be increased from HK\$100,000,000 to HK\$200,000,000 while the equity interests held indirectly by the Company and G.M.I. Technology will remain the same at 49% and 51% respectively.

HK LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Rule 14.07 of the HK Listing Rules for the Capital Injection exceed 5% but are less than 25%, the Capital Injection constitutes a discloseable transaction for the Company under Chapter 14 of the HK Listing Rules and is subject to the reporting and announcement requirements under the HK Listing Rules.

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BACKGROUND

On 19 November 2012, the Company and G.M.I. Technology entered into the Associated Agreement to establish the Associated Company to engage in the distribution of electronic components in the PRC and Hong Kong. In accordance with the terms of the Associated Agreement, the Company and G.M.I. Technology, in proportion to their relative shareholding in the Associated Company, being 49% and 51% respectively, have injected HK\$49,000,000 and HK\$51,000,000 respectively into the Associated Company through their respective wholly owned subsidiaries. Pursuant to the terms of the Associated Agreement, the Company and G.M.I. Technology have agreed to inject additional capital into the Associated Company to support its growing business operations and, in this connection, have entered into the Capital Injection Agreement.

CAPITAL INJECTION AGREEMENT

Date

2 May 2014

Parties

- (1) The Company;
- (2) G.M.I. Technology; and
- (3) The Associated Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, G.M.I. Technology and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

CAPITAL INJECTION

As of the date of this announcement, the share capital of the Associated Company is HK\$100,000,000, of which 49% is indirectly owned by the Company and 51% is indirectly owned by G.M.I. Technology. Under the Capital Injection Agreement, the Company and G.M.I. Technology will increase the share capital of the Associated Company by HK\$100,000,000 through contribution of HK\$49,000,000 and HK\$51,000,000 respectively by way of Subscription on a pro-rata basis through their respective wholly owned subsidiaries in the following manners:

<u>Date</u>	<u>Number of Shares</u>		<u>Consideration</u>	
	<u>Company</u>	<u>G.M.I. Technology</u>	<u>Company</u>	<u>G.M.I. Technology</u>
On or before 30 May 2014	24,500,000	25,500,000	HK\$24,500,000	HK\$25,500,000
On or before 31 March 2015	24,500,000	25,500,000	HK\$24,500,000	HK\$25,500,000

The Company and G.M.I. Technology shall pay the consideration for the Subscription in cash by electronic funds transfer in immediately available funds into the Associated Company's bank account.

The amount of the Capital Injection was determined by the Company and G.M.I. Technology with reference to the fund required by the Associated Company to build up inventories for the future business growth.

The Capital Injection will be funded by internal resources of the Company.

Upon completion of the Capital Injection, the share capital of the Associated Company will be increased from HK\$100,000,000 to HK\$200,000,000 while the equity interests held indirectly by the Company and G.M.I. Technology will remain the same at 49% and 51% respectively.

INFORMATION OF THE GROUP

The Group is principally engaged in the trading and distribution of electronic components as well as the provision of engineering solutions to industrial and commercial users.

INFORMATION OF G.M.I. TECHNOLOGY

G.M.I. Technology is incorporated in Taiwan, whose shares are listed on the Taiwan Stock Exchange Corporation (stock code: 3312). G.M.I. Technology mainly engages in the distribution of electronics components and provision of application solutions.

INFORMATION OF THE ASSOCIATED COMPANY

The Associated Company is incorporated in Hong Kong with limited liability and it mainly engages in the distribution and marketing of electronic components in the PRC and Hong Kong. The Associated Company is owned as to 49% and 51% by the Company and G.M.I. Technology respectively through their respective wholly owned subsidiaries.

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

The Capital Injection will be used by the Associated Company to fund its subsidiaries in the PRC. The Board is of the view that the Capital Injection will enable the Associated Company to expand its presence in the PRC market.

The Board considers that the terms of the Capital Injection Agreement are on normal commercial terms, fair and reasonable and the entering into of the Capital Injection Agreement and the transactions contemplated thereunder are in the interests of the Company and the shareholders of the Company as a whole.

HK LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Rule 14.07 of the HK Listing Rules for the Capital Injection exceed 5% but are less than 25%, the Capital Injection constitutes a discloseable transaction for the Company under Chapter 14 of the HK Listing Rules and is subject to the reporting and announcement requirements under the HK Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Associated Agreement”	the associated agreement dated 19 November 2012 entered into by the Company and G.M.I. Technology to establish the Associated Company
“Associated Company”	GW Electronics Company Limited, an associated company of the Company incorporated in Hong Kong with limited liability, is indirectly owned as to 49% by the Company and 51% by G.M.I. Technology
“Board”	the board of Directors
“Capital Injection”	the contribution of HK\$100,000,000 to the share capital of the Associated Company by the Company and G.M.I. Technology on a pro-rata basis through their respective wholly owned subsidiaries pursuant to the Capital Injection Agreement

“Capital Injection Agreement”	the capital injection agreement dated 2 May 2014 entered into by the Company, G.M.I. Technology and the Associated Company pursuant to which the Company and G.M.I. Technology agreed to inject additional capital into the Associated Company by way of Subscription on a pro-rata basis through their respective wholly owned subsidiaries
“Company”	Willas-Array Electronics (Holdings) Limited 威雅利電子(集團)有限公司, a company incorporated in Bermuda with limited liability, whose shares are listed on the HK Stock Exchange (Hong Kong stock code: 854) and the Singapore Exchange Securities Trading Limited (Singapore stock code: W12)
“Director(s)”	director(s) of the Company
“G.M.I. Technology”	G.M.I. Technology Inc., a company incorporated in Taiwan, whose shares are listed on the Taiwan Stock Exchange Corporation (stock code: 3312)
“Group”	the Company and its subsidiaries
“PRC”	the People’s Republic of China
“HK Listing Rules”	the Rules Governing the Listing of Securities on the HK Stock Exchange
“HK Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Shares”	the ordinary shares in the Associated Company
“Subscription”	the subscription of 49,000,000 Shares at a cash consideration of HK\$49,000,000 and 51,000,000 Shares at a cash consideration of HK\$51,000,000 by the Company and G.M.I. Technology respectively pursuant to the Capital Injection Agreement
“%”	per cent

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

Hong Kong, 2 May 2014

As at the date of this announcement, the executive Directors are Leung Chun Wah (Chairman), Kwok Chan Cheung, Hung Yuk Choy and Hon Kar Chun, and the independent non-executive Directors are Jovenal R. Santiago, Wong Kwan Seng, Robert and Iu Po Chan, Eugene.