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WILLAS-ARRAY

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 — PROVISION OF GUARANTEE AND ANNOUNCEMENT PURSUANT TO RULE 13.16 OF THE HK LISTING RULES

The Board announces that on 6 June 2014, the Company as guarantor entered into the Guarantee Agreement with the Bank under which the Company guarantees the repayment obligations of the Associated Company to the Bank up to the maximum principal amount of HK\$14,700,000 of the banking facilities in the aggregate amount of HK\$30,000,000 granted to the Associated Company by the Bank.

Prior to entering into of the Guarantee Agreement, as disclosed in the announcement of the Company dated 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 of the Associated Company's shares on a pro-rata basis through their respective wholly-owned subsidiaries.

The maximum amount guaranteed by the Company under the Guarantee Agreement, being approximately HK\$14,700,000, when aggregated with the amount guaranteed by the Company for banking facilities granted to the Associated Company within the 12 months period preceding the date of the Guarantee Agreement, being approximately HK\$19,037,000, and the additional capital contribution agreed to be made by the Company under the Capital Injection Agreement, exceeds 5% but is less than 25% of the applicable percentage ratios under Rule 14.07 of the HK Listing Rules. Therefore, the provision of Guarantee constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules and is subject to the reporting and announcement requirements under the HK Listing Rules.

As of the date of this announcement, the aggregate amount covered by all the financial assistance provided by the Company to, and guarantees (including the Guarantee) given by the Company for banking facilities granted to, the Associated Company, being the only affiliated company of the Company, exceeds 8% of the assets ratio under Rule 14.07(1) of the HK Listing Rules. Accordingly, this announcement is also made pursuant to Rule 13.16 of the HK Listing Rules.

INTRODUCTION

The Board announces that on 6 June 2014, the Company as guarantor entered into the Guarantee Agreement with the Bank under which the Company guarantees the repayment obligations of the Associated Company to the Bank up to the maximum principal amount of HK\$14,700,000 of the banking facilities in the aggregate amount of HK\$30,000,000 granted to the Associated Company by the Bank.

Prior to entering into of the Guarantee Agreement, as disclosed in the announcement of the Company dated 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 of the Associated Company's shares on a pro-rata basis through their respective wholly-owned subsidiaries.

GUARANTEE AGREEMENT

1. Date: 6 June 2014
2. Borrower: The Associated Company
3. Lender: The Bank
4. Guarantor: The Company
5. Scope of Guarantee: HK\$14,700,000, together with any interest, costs and expenses due by the Company to the Bank under the Guarantee Agreement
6. Term: From 6 June 2014 till all the monies due and owing to the Bank under the banking facilities granted by the Bank to the Associated Company have been fully repaid

REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEE

The scope of Guarantee was provided in proportion to the Company's equity interest (being 49%) in the Associated Company. As the aggregate amount of the banking facilities granted by the Bank to the Associated Company is HK\$30,000,000, the maximum principal amount guaranteed by the Company is HK\$14,700,000, an amount equal to 49% of the aforesaid aggregate amount of the banking facilities.

The Directors consider that the provision of the Guarantee will facilitate the Associated Company to meet its financial needs to purchase inventories for future business growth.

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

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 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 products 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.

INFORMATION ABOUT THE BANK

The Bank is a licensed commercial bank incorporated in Australia and it provides a variety of financial services to corporate and personal banking customers.

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

HK LISTING RULES IMPLICATIONS

The maximum amount guaranteed by the Company under the Guarantee Agreement, being approximately HK\$14,700,000, when aggregated with the amount guaranteed by the Company for banking facilities granted to the Associated Company within the 12 months period preceding the date of the Guarantee Agreement, being approximately HK\$19,037,000, and the additional capital contribution agreed to be made by the Company under the Capital Injection Agreement, exceeds 5% but is less than 25% of the applicable percentage ratios under Rule 14.07 of the HK Listing Rules. Therefore, the provision of Guarantee constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules and is subject to the reporting and announcement requirements under the HK Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.16 OF THE HK LISTING RULES

As of the date of this announcement, the aggregate amount covered by all the financial assistance provided by the Company to, and guarantees (including the Guarantee) given by the Company for the banking facilities granted to, the Associated Company, being the only affiliated company of the Company, is approximately HK\$171,147,000, which represents approximately 11.44% of the total assets of the Company, exceeding 8% of the asset ratio under Rule 14.07(1) of the HK Listing Rules. As of the date of this announcement, the total amount of loans utilised by the Associated Company which are guaranteed by the Company is approximately HK\$136,533,000. Save as disclosed above, no further financial assistance have been made and/or guarantees given by the Company (or any of its subsidiaries) to the Associated Company up to the date of this announcement.

DEFINITIONS

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

“Associated Company”	GW Electronics Company Limited, an associated company incorporated in Hong Kong with limited liability, is indirectly owned as to 49% by the Company and 51% by G.M.I. Technology
“Bank”	Australia and New Zealand Banking Group Limited, a licensed commercial bank incorporated in Australia which through its Hong Kong branch has granted banking facilities in the aggregate amount of HK\$30,000,000 to the Associated Company
“Board”	the board of Directors
“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 in the aggregate amount of HK\$100,000,000 into the Associated Company by way of subscription of the Associated Company’s shares 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 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
“Guarantee”	the guarantee created by the Company in favour of the Bank under the Guarantee Agreement
“Guarantee Agreement”	the Guarantee and Indemnity Agreement dated 6 June 2014 entered into by the Company with the Bank to secure the repayment obligations of the Associated Company to the Bank up to the maximum principal amount of HK\$14,700,000 of the banking facilities in the aggregate amount of HK\$30,000,000 granted to the Associated Company by the Bank
“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
“HK Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 6 June 2014

As at the date of this announcement, the Board comprises four Executive Directors, namely Leung Chun Wah (Chairman), Kwok Chan Cheung (Deputy Chairman and Managing Director), Hung Yuk Choy (Deputy Managing Director) and Hon Kar Chun; and three Independent Non-executive Directors, namely Jovenal R. Santiago, Wong Kwan Seng, Robert and Iu Po Chan, Eugene.