
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Willas-Array Electronics (Holdings) Limited, you should at once hand this Circular and the accompanying form of proxy to the purchaser or transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited, The Hong Kong Stock Exchange of Hong Kong Limited and Singapore Exchange Securities Trading Limited take no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

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)

**CIRCULAR TO SHAREHOLDERS
RELATING TO PROPOSALS IN RELATION TO:**

- (A) RE-ELECTION OF RETIRING DIRECTOR AND ELECTION OF DIRECTOR;**
- (B) CHANGE OF INDEPENDENT AUDITOR;**
- (C) GENERAL MANDATE TO ISSUE SHARES;**
- (D) RENEWAL OF SHARE BUYBACK MANDATE; AND**
- (E) AMENDMENTS TO THE BYE-LAWS**

AND

NOTICE OF ANNUAL GENERAL MEETING

The notice convening the 2014 AGM of Willas-Array Electronics (Holdings) Limited to be held at Mandarin Orchard Singapore, Grange Ballroom, Level 5, Main Tower, 333 Orchard Road, Singapore 238867 on Thursday, July 31, 2014 at 9.30 a.m. or any adjournment thereof at which the above proposals will be considered. Irrespective of whether you are able to attend the meeting, please complete the form of proxy in accordance with the instructions printed thereon and return it to (i) the Company's share transfer office in Singapore, Intertrust Singapore Corporate Services Pte. Ltd at 3 Anson Road, #27-01 Springleaf Tower, Singapore 079909 or (ii) the Company's branch registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event no less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

July 2, 2014

CONTENTS

	<i>Page</i>
DEFINITIONS	1
 LETTER FROM THE BOARD	
Introduction	6
Proposed Re-election of Retiring Director and Election of Director	7
Proposed Change of Independent Auditor	7
Proposed Grant of General Mandate to Issue Shares	7
Proposed Renewal of the Share Buyback Mandate	8
Proposed Amendment to the Bye-Laws	8
Annual General Meeting	9
Interest of Directors and Substantial Shareholders	9
Directors' Recommendations	11
Directors' Responsibility Statement	11
Documents for Inspection	12
 APPENDIX I — INFORMATION ON RETIRING DIRECTOR FOR RE-ELECTION AND PROPOSED DIRECTOR FOR ELECTION	13
 APPENDIX II — PROPOSED CHANGE OF INDEPENDENT AUDITOR	15
 APPENDIX III — EXPLANATORY STATEMENT FOR AND ADDITIONAL INFORMATION ON THE SHARE BUYBACK MANDATE	17
 APPENDIX IV — PROPOSED AMENDMENTS TO THE BYE-LAWS	35
 NOTICE OF ANNUAL GENERAL MEETING	37

This Circular is prepared in both English and Chinese. In the event of inconsistency, the English text of this Circular will prevail.

DEFINITIONS

In this Circular and its Appendices, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:

- “2013 AGM”** the annual general meeting of the Company held on July 30, 2013;
- “2013 SGM”** the special general meeting of the Company held on July 30, 2013;
- “2014 AGM”** the annual general meeting of the Company to be held on Thursday, July 31, 2014, the notice of which is set out on pages 37 to 44 of this Circular, and any adjournment thereof;
- “AGM”** the annual general meeting of the Company;
- “Amended Bye-Laws”** the amended Bye-Laws, assuming all the proposed amendments to the existing Bye-Laws as set out in Appendix IV to the Circular are adopted and incorporated;
- “Average Closing Price”** has the meaning ascribed to it in paragraph 3.4 of Appendix III;
- “associate(s)”** has the meaning ascribed thereto under the Hong Kong Listing Rules;
- “Associate”**
- (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
 - (i) his immediate family (that is, the person’s spouse, child, adopted child, step-child, sibling and parent);
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
 - (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company (as defined in the Singapore Companies Act) or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

DEFINITIONS

“ Bermuda Companies Act ”	the Companies Act 1981 of Bermuda, as amended, supplemented or modified from time to time;
“ Board ”	the board of Directors;
“ Bye-Laws ”	the bye-laws of the Company, as amended, supplemented or modified from time to time;
“ Circular ”	this circular dated July 2, 2014;
“ 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 Main Board of the Hong Kong Stock Exchange (Stock Code: 854) and the Main Board of SGX-ST (Stock Code: W12);
“ connected person(s) ”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“ control ”	the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
“ concert parties ”	has the meaning ascribed to it in paragraph 8.2 of Appendix III;
“ Controlling Shareholder(s) ”	a person who: (a) holds, directly or indirectly, 15% or more of the total number of issued Shares excluding treasury shares in the Company, unless the SGX-ST determines otherwise; or (b) in fact exercises control over the Company;
“ day of the making of the offer ”	has the meaning ascribed to it in paragraph 3.4 of Appendix III;
“ Deloitte HK ”	Deloitte Touche Tohmatsu, Hong Kong;
“ Deloitte Singapore ”	Deloitte & Touche LLP, Singapore;
“ Director(s) ”	the director(s) of the Company;
“ EPS ”	earnings per Share;
“ Group ”	the Company and its Subsidiaries;
“ Hong Kong ”	the Hong Kong Special Administrative Region of the People’s Republic of China;

DEFINITIONS

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented and modified from time to time;
“Hong Kong Share Buy-backs Code”	the Hong Kong Code on Share Buy-backs, as amended, supplemented and modified from time to time;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Hong Kong Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended, supplemented and modified from time to time;
“Independent Auditor”	the independent auditor of the Company;
“Issue Mandate”	the general and unconditional mandate granted or to be granted (as the case may be) by the Shareholders to authorise the Directors to exercise all the powers of the Company to allot and issue new Shares in the Company in accordance with the limits set out in the relevant shareholders’ resolution approving such mandate. Please refer to the Notice of the 2014 AGM for details of the Issue Mandate to be proposed for Shareholders’ approval at the 2014 AGM;
“Latest Practicable Date”	June 23, 2014, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein;
“Maximum Price”	has the meaning ascribed to it in paragraph 3.4 of Appendix III;
“Memorandum”	the Memorandum of Association of the Company as amended, supplemented or modified from time to time;
“NTA”	net tangible assets;
“Off-Market Purchase”	has the meaning ascribed to it in paragraph 3.3 of Appendix III;
“On-Market Purchase”	has the meaning ascribed to it in paragraph 3.3 of Appendix III;
“related expenses”	has the meaning ascribed to it in paragraph 3.4 of Appendix III;
“Relevant Period”	the period commencing from the 2013 AGM (being the date of the AGM immediately prior to the 2014 AGM) and expiring on the date on which the next AGM (immediately following the 2014 AGM) is held or is required by law or by the Bye-Laws to be held, whichever is earlier;

DEFINITIONS

“Retiring Director”	Mr. Leung Chun Wah, who, being the Director retiring at the 2014 AGM and, being eligible, is offering himself for re-election at the 2014 AGM, in accordance with the Bye-Laws;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“SGX-ST Listing Manual”	the Main Board rules of the listing manual of the SGX-ST, as amended, modified or supplemented from time to time;
“Share(s)”	ordinary share(s) of HK\$0.20 each in the capital of the Company;
“Share Buyback Mandate”	the general and unconditional mandate authorising the purchase or acquisition by the Company of Shares on the SGX-ST or the Hong Kong Stock Exchange in accordance with the limits set out in the relevant shareholders’ resolution approving such mandate. Please refer to Appendix III for details of the Share Buyback Mandate to be proposed for Shareholders’ approval at the 2014 AGM;
“Shareholder(s)”	holder(s) of the Share(s);
“Singapore Companies Act”	the Companies Act (Chapter 50 of the laws of Singapore), as amended, supplemented or modified from time to time;
“Singapore Take-over Code”	the Singapore Code on Take-over and Mergers, as amended, supplemented or modified from time to time;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary of the Company (within the meaning of the Singapore Companies Act, the Hong Kong Listing Rules and the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented and modified from time to time);
“Substantial Shareholder”	a Shareholder who has an interest in 5% or more of the voting shares of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“S\$”	Singapore dollars, the lawful currency of Singapore

DEFINITIONS

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any laws and regulations referred to or the provisions thereof incorporated in this Circular, including the Bermuda Companies Act, the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Singapore Companies Act, are the laws and regulations in force as at the Latest Practicable Date. Any term defined in the SGX-ST Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the SGX-ST Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

LETTER FROM THE BOARD

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)

Executive Directors:

Leung Chun Wah (*Chairman*)

Kwok Chan Cheung

Hung Yuk Choy

Hon Kar Chun

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Independent Non-executive Directors:

Jovenal R. Santiago

Wong Kwan Seng, Robert

Iu Po Chan, Eugene

Head office and principal place of business:

24/F Wyler Centre, Phase 2

200 Tai Lin Pai Road

Kwai Chung, New Territories

Hong Kong

July 2, 2014

To the Shareholders

Dear Sir and Madam

**CIRCULAR TO SHAREHOLDERS
RELATING TO PROPOSALS IN RELATION TO:**

- (A) RE-ELECTION OF RETIRING DIRECTOR AND ELECTION OF DIRECTOR;**
- (B) CHANGE OF INDEPENDENT AUDITOR;**
- (C) GENERAL MANDATE TO ISSUE SHARES;**
- (D) RENEWAL OF SHARE BUYBACK MANDATE; AND**
- (E) AMENDMENTS TO THE BYE-LAWS**

INTRODUCTION

The Company will propose at the 2014 AGM resolutions in relation to, *inter alia*, (i) the re-election of the Retiring Director and election of Director; (ii) the change of Independent Auditor; (iii) the grant to the Directors of the Issue Mandate upon the expiry of the current Issue Mandate which was approved by Shareholders at the 2013 AGM; (iv) the renewal of the Share Buyback Mandate upon the expiry of the existing Share Buyback Mandate which was approved by Shareholders at the 2013 SGM; and (v) the amendments to the Bye-Laws.

LETTER FROM THE BOARD

The purpose of this Circular is to provide you with further information on the above resolutions to be proposed at the 2014 AGM.

The Notice of the 2014 AGM at which the resolutions will be proposed for Shareholders to consider and, if thought fit, approve, is also set out on pages 37 to 44 of this Circular.

PROPOSED RE-ELECTION OF RETIRING DIRECTOR AND ELECTION OF DIRECTOR

In accordance with Bye-Law 104, Mr. Leung Chun Wah and Mr. Hung Yuk Choy will retire by rotation at the 2014 AGM. Mr. Leung Chun Wah, being eligible, will offer himself for re-election at the 2014 AGM. After having served on the Board for nearly 14 years, Mr. Hung Yuk Choy has decided to retire and accordingly, he will not offer himself for re-election at the 2014 AGM. The Board proposes the re-election of Mr. Leung Chun Wah and the election of Mr. Leung Hon Shing as Executive Director at the 2014 AGM.

The biographical information on each of Mr. Leung Chun Wah and Mr. Leung Hon Shing as required to be disclosed under the Hong Kong Listing Rules is set out in Appendix I to this Circular.

PROPOSED CHANGE OF INDEPENDENT AUDITOR

The Company's existing Independent Auditor, Deloitte Singapore, has been the Independent Auditor of the Company since the initial listing of the Company on the SGX-ST on July 2, 2001. Deloitte Singapore was last reappointed as Independent Auditor at the 2013 AGM. Deloitte Singapore will retire as Independent Auditor of the Company upon the expiration of its current term of office at the conclusion of the 2014 AGM.

The Board has resolved, with the recommendation from the Audit Committee of the Board, to propose, subject to the approval of the Shareholders at the 2014 AGM, the appointment of Deloitte HK as Independent Auditor of the Company, to fill the vacancy immediately following the expiration of Deloitte Singapore's current term of office and to hold office until the conclusion of the next forthcoming AGM.

Further information concerning the proposed appointment of Deloitte HK as the new Independent Auditor of the Company is set out in Appendix II to this Circular.

PROPOSED GRANT OF GENERAL MANDATE TO ISSUE SHARES

At the 2013 AGM, Shareholders approved an Issue Mandate authorising the Directors to issue and allot new Shares, subject to the terms thereof. The Issue Mandate will lapse at the conclusion of the 2014 AGM.

LETTER FROM THE BOARD

At the 2014 AGM, an ordinary resolution will be proposed to grant a new Issue Mandate authorising the Directors to allot and issue such number of new Shares not exceeding 50% of the total number of Shares of the Company in issue (excluding any treasury shares) as at the date of passing the resolution approving the Issue Mandate, and in the case of an allotment and issue other than on a pro-rata basis to the existing shareholders of the Company, such number shall not exceed the lower of (i) 10% of the total number of Shares of the Company in issue (excluding any treasury shares) and (ii) 10% of the issued share capital of the Company as at the date of passing the resolution approving the Issue Mandate, subject to the terms of the said resolution. The Issue Mandate will provide flexibility to the Company to raise funds through the issue of Shares efficiently.

PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

At the 2013 SGM, Shareholders had approved a Share Buyback Mandate authorising the Directors to purchase or otherwise acquire Shares, subject to the terms thereof. The Share Buyback Mandate will lapse on the date of the 2014 AGM.

At the 2014 AGM, an ordinary resolution will also be proposed to renew the Share Buyback Mandate authorising the Company to purchase or acquire up to the number of Shares representing not more than the lower of (i) 10% of the total number of issued Shares of the Company as at the date of the 2014 AGM at which the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions under the Bermuda Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered by the capital reduction; and (ii) 10% of the issued share capital of the Company as at the date of the 2014 AGM at which the Share Buyback Mandate is approved. Any Shares which are held as treasury shares will be disregarded for the purposes of computing the 10% limit. As at the Latest Practicable Date, the Company did not have any treasury shares.

An explanatory statement as required by the relevant provisions of the Hong Kong Listing Rules, as well as the information required under the SGX-ST Listing Manual concerning the Share Buyback Mandate are set out in Appendix III to this Circular.

PROPOSED AMENDMENTS TO THE BYE-LAWS

A special resolution will be proposed at the 2014 AGM to make certain amendments to the Bye-Laws. The proposed amendments to the Bye-Laws, as well as the rationale for each amendment, are set out in Appendix IV to this Circular.

Shareholders are advised that the Chinese translation of the amendments to the Bye-Laws set out in Appendix IV to the Chinese version of this Circular is for reference only. In case of any inconsistency, the English version shall prevail.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The notice of the 2014 AGM is set out on pages 37 to 44 of this Circular. A form of proxy for use at the 2014 AGM is enclosed. Irrespective of whether you intend to be present at the 2014 AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to (i) the Company's share transfer office in Singapore, Intertrust Singapore Corporate Services Pte. Ltd at 3 Anson Road, #27-01 Springleaf Tower, Singapore 079909 or (ii) the Company's branch registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited at 31/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event no less than 48 hours before the time fixed for holding the 2014 AGM. Completion of the form of proxy and its return to the Company will not preclude you from attending and voting in person at the 2014 AGM if you so wish.

Pursuant to Bye-Law 73, a resolution put to the vote of the general meeting shall be decided on a show of hands unless a poll is required by the rules of the Designated Stock Exchange (which means, for the time being, the SGX-ST and Hong Kong Stock Exchange on which the Shares are listed and quoted) or a poll is duly demanded as provided therein.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the Notice of the 2014 AGM will be put to the vote by way of a poll and the Company will announce the results of the poll in the manner prescribed under Rules 13.39(5) of the Hong Kong Listing Rules.

INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Substantial Shareholders and the Register of Members maintained by the Company, the interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date (which would reflect their interests as at the date of the 2014 AGM, assuming their interests do not change between the Latest Practicable Date and the date of the 2014 AGM), as well as following the exercise of the Share Buyback Mandate, assuming (a) the Company purchases the maximum amount of 10% of the total number of issued Shares (the Company does not have any treasury shares) permitted under the Share Buyback Mandate; (b) there is no change in the number of Shares in which the Directors and the Substantial Shareholders have an interest; and (c) the Company does not issue any Shares pursuant to the Issue Mandate, are as set out below:

LETTER FROM THE BOARD

Name	As at the Latest Practicable Date (Number of Shares)			As at the Latest Practicable Date	After Share Buyback
	Direct Interest	Deemed Interest	Total Interest	Date (%) ⁽¹⁾	Buyback (%) ⁽²⁾
Directors					
Leung Chun Wah ⁽³⁾	—	94,158,854	94,158,854	25.06	27.84
Kwok Chan Cheung ⁽⁴⁾	—	39,477,771	39,477,771	10.51	11.67
Hung Yuk Choy	25,801,194	—	25,801,194	6.87	7.63
Hon Kar Chun	1,464,000	—	1,464,000	0.39	0.43
Jovenal R. Santiago	—	—	—	—	—
Wong Kwan Seng, Robert	—	—	—	—	—
Iu Po Chan, Eugene	—	—	—	—	—
Substantial Shareholders (excluding those who are also Directors)					
Global Success International Limited	39,477,771	—	39,477,771	10.51	11.67
Max Power Assets Limited ⁽⁵⁾	29,354,100	61,145,054	90,499,154	24.09	26.76
Cheng Wai Yin, Susana ⁽⁶⁾	3,659,700	90,499,154	94,158,854	25.06	27.84
Lee Woon Nin ⁽⁷⁾	—	90,499,154	90,499,154	24.09	26.76
HSBC International Trustee Limited ⁽⁸⁾	—	90,499,154	90,499,154	24.09	26.76
HSBC Private Banking Holdings (Suisse) SA ⁽⁹⁾	—	90,499,154	90,499,154	24.09	26.76
HSBC Finance (Netherlands) ⁽⁹⁾	—	90,499,154	90,499,154	24.09	26.76
HSBC Holdings Plc ⁽⁹⁾	—	90,499,154	90,499,154	24.09	26.76
Yeo Seng Chong ⁽¹⁰⁾	1,300,000	17,449,420	18,749,420	4.99	5.54
Lim Mee Hwa ⁽¹⁰⁾	1,250,000	17,499,420	18,749,420	4.99	5.54

Notes:

- (1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, being 375,736,800 Shares. The Company does not have any treasury shares as at the Latest Practicable Date.
- (2) As a percentage of the total number of issued Shares of 338,163,120 Shares (assuming that the Company purchases and cancels the maximum number of 37,573,680 Shares under the Share Buyback Mandate).

LETTER FROM THE BOARD

- (3) Leung Chun Wah is deemed to be interested in the Shares in which Max Power Assets Limited has an interest, the 61,145,054 Shares held through HSBC Private Bank (Suisse) SA Nassau Client Account and the 3,659,700 Shares in which his spouse, Cheng Wai Yin, Susana has a direct interest.
- (4) Kwok Chan Cheung is deemed to be interested in the Shares in which Global Success International Limited has a direct interest.
- (5) Max Power Assets Limited has a direct interest in 29,354,100 Shares and is deemed to be interested in the 61,145,054 Shares held through HSBC Private Bank (Suisse) SA Nassau Client Account.
- (6) Cheng Wai Yin, Susana has a direct interest in 3,659,700 Shares and is deemed to be interested in the 90,499,154 Shares in which her spouse, Leung Chun Wah, is deemed to have an interest.
- (7) Lee Woon Nin is deemed to be interested in the Shares in which Max Power Assets Limited has an interest.
- (8) HSBC International Trustee Limited is deemed to be interested in the Shares in which Max Power Assets Limited has an interest.
- (9) HSBC Private Banking Holdings (Suisse) SA, HSBC Finance (Netherlands), HSBC Holdings Plc are each deemed to be interested in the Shares in which HSBC International Trustee Limited has an interest, as HSBC International Trustee Limited is a wholly-owned subsidiary of HSBC Private Banking Holdings (Suisse) SA, which is a wholly-owned subsidiary of HSBC Finance (Netherlands), which is a wholly-owned subsidiary of HSBC Holdings Plc.
- (10) Yeo Seng Chong owns Shares directly in his own name and his spouse, Lim Mee Hwa owns Shares directly in her own name. Both own equally of fund manager, Yeoman Capital Management Pte Ltd (“YCMPL”) and therefore control YCMPL. YCMPL in turn controls its own direct shareholding in the Company as well as its deemed interests through its clients’ direct shareholdings in the Company.

DIRECTORS’ RECOMMENDATIONS

Save for Mr. Leung Chun Wah who abstains from making a recommendation on Ordinary Resolution 4 relating to his own re-election, the Board considers that the above proposals relating to the re-election of the Retiring Director and the election of a Director, the change of Independent Auditor, the granting of the Issue Mandate, the renewal of the Share Buyback Mandate and the amendments to the Bye-Laws are in the best interests of the Company. Accordingly, the Board recommends that you vote in favour of each of Ordinary Resolutions 4 to 8 and Special Resolution 1 to be proposed at the 2014 AGM.

DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposals relating to the re-election of Mr. Leung Chun Wah as Director, the election of Mr. Leung Hon Shing as Director, the appointment of Deloitte HK as new Independent Auditor, the grant of the Issue Mandate, the renewal of the Share Buyback Mandate and the amendments to the Bye-Laws of the Company, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading in relation to the said

LETTER FROM THE BOARD

proposals. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's Singapore share transfer agent, Intertrust Singapore Corporate Services Pte Ltd at 3 Anson Road, #27-01 Springleaf Tower, Singapore 079909, during normal business hours from the date hereof up to and including the date of the 2014 AGM:

- (a) the Memorandum and Bye-Laws of the Company;
- (b) the proposed Amended Bye-Laws of the Company; and
- (c) the annual report of the Company for the financial year ended March 31, 2014.

Yours faithfully

For and on behalf of

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

Leung Chun Wah

Chairman

The following is the information, as at the Latest Practicable Date, required to be disclosed under the Hong Kong Listing Rules, on the Retiring Director proposed to be re-elected and Director to be elected at the 2014 AGM.

Retiring Director for Re-election

Leung Chun Wah

Mr. Leung, aged, 64, is our chairman. He is also a director of various subsidiaries of our Group. Mr. Leung was appointed as a Director and our chairman on January 1, 2001 and is responsible for determining our overall strategies and direction. Mr. Leung has more than 30 years of experience in the electronics industry. Mr. Leung was an inspection supervisor/process controller of Stuart Limited from 1967 to 1970 and established Willas Company Limited in 1981. Mr. Leung is also the father of Leung Chi Hang, Daniel, our general manager for information technology and logistics.

There is a service agreement between the Company and Mr. Leung for his appointment as Chairman and Director of the Company, for a term of two years expiring on December 31, 2014, subject to retirement by rotation and re-election at the 2014 AGM. He is entitled to a basic annual salary of HK\$2,797,795 per annum plus a one-time bonus payment of HK\$1,398,897.50, which is reviewed annually by the Board and the Remuneration Committee of the Board with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. Mr. Leung's remuneration for year ended March 31, 2014 is approximately HK\$3,754,000.

As at the Latest Practicable Date, Mr. Leung, being a beneficiary of a trust, had an interest in 90,499,154 Shares, representing approximately 24.09% of the issued share capital of the Company, and a deemed interest in 3,659,700 Shares held by his spouse, representing approximately 0.97% of the issued share capital of the Company, within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Leung

- (a) did not hold any other directorship in publicly-listed companies in the last three years;
- (b) did not have any other interest in any Shares or underlying Shares required to be disclosed pursuant to Part XV of the SFO; and
- (c) did not hold any other positions with the Company or any of its Subsidiaries nor did he have any other relationship with any other Directors, senior management or substantial shareholder or controlling shareholder (within the meaning of the Hong Kong Listing Rules) of the Company.

Mr. Leung has confirmed that in relation to his re-election, there are no other matters that need to be brought to the attention of the Shareholders nor is there other information required to be disclosed pursuant to the requirements under Rule 13.51(2) of the Hong Kong Listing Rules.

*Proposed Director for Election***Leung Hon Shing**

Mr. Leung, 49, is the chief financial officer and company secretary of the Company and is responsible for financial management of the Group. He is also a director of various subsidiaries of our Group. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, and an associate member of the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. He also holds a professional diploma in company secretaryship and administration from Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) that he obtained in November 1988. Mr. Leung joined the Group on January 2, 2002 as a financial controller and was appointed as the company secretary of the Company on March 28, 2006. He then became our chief financial officer in April 2014. Prior to joining the Group, he worked in a subsidiary of a public listed company in Hong Kong from 1996 to 2001 and an international accounting firm from 1993 to 1996, where he gained extensive auditing, accounting and financial management experience.

There is a service agreement between the Company and Mr. Leung for his appointment as Director of the Company subject to the passing of the resolution of the appointment of him as the Director of the Company at the 2014 AGM, for a period from July 31, 2014 to March 31, 2016. He is entitled to a basic salary of HK\$953,333 and HK\$1,469,000 for the year ended March 31, 2015 and March 31, 2016 respectively, and a discretionary bonus and an incentive payment by reference to the amount of the net profit after taxation of the Group, which is reviewed annually by the Board and the Remuneration Committee of the Board with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation.

As at the Latest Practicable Date, Mr. Leung beneficially owned 1,249,200 Shares.

Save as disclosed above, as at the Latest Practicable Date, Mr. Leung

- (a) did not hold any other directorship in publicly-listed companies in the last three years;
- (b) did not have any other interest in any Shares or underlying Shares required to be disclosed pursuant to Part XV of the SFO; and
- (c) did not hold any other positions with the Company or any of its Subsidiaries nor did he have any other relationship with any other Directors, senior management or substantial shareholder or controlling shareholder (within the meaning of the Hong Kong Listing Rules) of the Company.

Mr. Leung has confirmed that in relation to his election, there are no other matters that need to be brought to the attention of the Shareholders nor is there other information required to be disclosed pursuant to the requirements under Rule 13.51(2) of the Hong Kong Listing Rules.

1. Background and Rationale

The Company's existing Independent Auditor, Deloitte Singapore, has been the Independent Auditor of the Company since the initial listing of the Company on the SGX-ST on July 2, 2001. Deloitte Singapore was last reappointed as Independent Auditor of the Company at the last AGM of the Company held on July 30, 2013.

Deloitte HK is the Hong Kong practice of the wider Deloitte China practice which is a member firm of the Deloitte international network. The Deloitte China practice is a combination of entities carrying on business in the mainland of the People's Republic of China, Hong Kong and Macau. Deloitte HK provides a comprehensive range of professional services including audit, enterprise risk services and tax services to its clients. More information about the Deloitte China practice is provided at its website at http://www.deloitte.com/view/en_CN/cn/index.htm.

Deloitte HK is one of the leading professional services providers in Hong Kong and provides a comprehensive range of professional services including audit, enterprise risk services and tax services. Deloitte HK also provides external audit services to a significant number of listed companies, including several Bermuda-incorporated companies which are listed on both the Main Board of the SGX-ST and the Hong Kong Stock Exchange.

The Directors have determined, in consultation with the Audit Committee of the Company, following a review of the credentials, services and fee proposal from Deloitte HK, that Deloitte HK will be the firm best suited to meet the requirements of the Company.

In reaching this decision, the Directors and the Audit Committee considered various relevant factors, including the adequacy of resources, the audit engagements and experience of Deloitte HK, the audit engagement partner from Deloitte HK proposed to be assigned to the Company, the number and expertise of the supervisory and professional staff who will be assigned to the audit, the size and complexity of the Company and its subsidiaries, and Deloitte HK's proposed audit arrangements for the Company, and are of the opinion that Deloitte HK will be able to meet the audit requirements of the Company.

2. Requirements under Bermuda Companies Act

Pursuant to Section 89(3A) of the Bermuda Companies Act, new auditors (whether appointed by the directors or shareholders of a Bermuda-incorporated company) cannot accept appointment or consent to be appointed until they have requested and received from the auditors who have resigned a written statement of the circumstances and the reasons why, in the auditors' opinion, they are to be replaced.

In this regard, Deloitte Singapore have confirmed by way of their letter dated June 23, 2014 that they have complied with Section 89(3A) of the Bermuda Companies Act.

Deloitte Singapore have given notice to the Directors of their resignation as Independent Auditor of the Company with effect from the conclusion of the 2014 AGM.

The appointment of Deloitte HK as Independent Auditor in place of Deloitte Singapore will take effect only upon the approval of the same by the Shareholders at the 2014 AGM.

3. Confirmation under Rule 1203(5) of the SGX-ST Listing Manual

In compliance with Rule 1203(5) of the SGX-ST Listing Manual, the Directors confirm that:

- (a) there were no disagreements with Deloitte Singapore on accounting treatments within the last 12 months of the date of this Circular;
- (b) the Company is not aware of any circumstances connected with the proposed appointment of Deloitte HK as new Independent Auditor that should be brought to the attention of Shareholders;
- (c) the specific reasons for the proposed appointment of Deloitte HK as new Independent Auditor are disclosed in paragraph 1 above; and
- (d) the proposed appointment of Deloitte HK as new Independent Auditor complies with Rules 712 and 715 of the SGX-ST Listing Manual.

Deloitte Singapore have confirmed by way of their letter dated June 20, 2014 to the Company that they are not aware of any professional reasons why Deloitte HK should not accept the appointment as Independent Auditor of the Company.

4. Statement by Audit Committee

The proposed appointment of Deloitte HK as the new Independent Auditor has been reviewed and recommended by the Audit Committee.

5. Confirmation by Deloitte Singapore

Deloitte Singapore have confirmed by way of their letter dated June 20, 2014 to the Company that there are no matters that should be brought to the attention of the Shareholders in relation to their retirement.

APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL INFORMATION ON THE SHARE BUYBACK MANDATE

1. Renewal of the Share Buyback Mandate

As a Bermuda-incorporated company which is listed on the Main Board of the SGX-ST and the Hong Kong Stock Exchange, any purchases or acquisitions of Shares by the Company will have to be made in accordance with, and subject to the provisions of, the SGX-ST Listing Manual, the Singapore Take-over Code, the Bermuda Companies Act, the Memorandum and the Bye-Laws, the HK Listing Rules, the Hong Kong Share Buy-backs Code and the Hong Kong Takeovers Code and such other laws and regulations as may from time to time be applicable.

Under the Bermuda Companies Act, a company incorporated in Bermuda may, if authorised to do so by its memorandum or bye-laws, purchase its own shares provided that no such purchase may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due. The Memorandum and the Bye-Laws provide that the Company may purchase its own Shares.

It is also a requirement under the SGX-ST Listing Manual and the Hong Kong Listing Rules that a company which wishes to purchase or acquire its own shares should obtain prior specific approval of its shareholders at a general meeting.

Accordingly, the Directors propose that the Share Buyback Mandate be tabled to Shareholders for approval at the 2014 AGM as Ordinary Resolution 8.

2. Rationale of the Share Buyback Mandate

The renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the 10% limit described in section 3.1 of this Appendix III at any time, during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) In managing the business of the Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the net assets and/or earnings per Share of the Group. A share purchase is one of the ways in which the net assets and/or earnings per Share of the Group may be enhanced.
- (b) Share repurchases are an expedient, effective and cost-efficient way for the Company to return to Shareholders any surplus cash/funds which is/are over and above its ordinary capital requirements and in excess of the financial and investment needs of the Group, if any.
- (c) Share repurchases may help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL INFORMATION ON THE SHARE BUYBACK MANDATE

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period when the Share Buyback Mandate is in force, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST or in breach of Hong Kong Listing Rules or the Bye-Laws. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST or the Hong Kong Stock Exchange.

3. Authority and Limits of the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

3.1 *Maximum Number of Shares*

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares which may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than the lower of (i) 10% of the total number of issued Shares of the Company as at the date of the 2014 AGM at which the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions under the Bermuda Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered by the capital reduction; and (ii) 10% of the issued share capital of the Company as at the date of the 2014 AGM at which the Share Buyback Mandate is approved. Any Shares which are held as treasury shares will be disregarded for the purposes of computing the 10% limit. As at the Latest Practicable Date, the Company does not have any treasury shares.

For illustrative purposes only, on the basis of 375,736,800 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2014 AGM, not more than 37,573,680 Shares (representing 10% of the total number of issued Shares as at that date, and assuming this number does not exceed 10% of the issued share capital of the Company) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate during the period in which the Share Buyback Mandate is in force.

APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL INFORMATION ON THE SHARE BUYBACK MANDATE

3.2 *Duration of Authority*

If the proposed Share Buyback Mandate is approved by the Shareholders at the 2014 AGM, purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2014 AGM up to:

- (a) the date on which the next AGM is held, or the date by which the next AGM of the Company is required by law or by the Bye-Laws of the Company to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors under the Share Buyback Mandate may be renewed by the Shareholders in general meeting. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

3.3 *Manner of Purchase or Acquisition of Shares*

The Share Buyback Mandate provides that purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases (“**On-Market Purchases**”) on the SGX-ST or the Hong Kong Stock Exchange (as the case may be); and/or
- (b) off-market purchases (“**Off-Market Purchases**”) effected otherwise than on the SGX-ST, pursuant to an equal access scheme as may be determined or formulated by the Directors as they consider fit,

in accordance with all laws and regulations, including but not limited to the provisions of the SGX-ST Listing Manual, the Singapore Take-over Code, the Bermuda Companies Act, the Memorandum and the Bye-Laws, and the Hong Kong Listing Rules, the Hong Kong Share Buy-backs Code and the Hong Kong Takeovers Code. Further details on the requirements relating to Off-Market Purchases are set out below.

**APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL
INFORMATION ON THE SHARE BUYBACK MANDATE**

The Directors may impose such terms and conditions which are not inconsistent with the SGX-ST Listing Manual, the Singapore Take-over Code, the Bermuda Companies Act, the Memorandum and the Bye-Laws, the Hong Kong Listing Rules, the Hong Kong Share Buy-backs Code and the Hong Kong Takeovers Code, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme. For the purposes of the SGX-ST Listing Manual, an Off-Market Purchase must, however, satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, differences in consideration attributable to the fact that offers may relate to Shares with different amounts remaining unpaid (if applicable) and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the SGX-ST Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it must issue an offer document to all Shareholders containing at least the following information:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Singapore Take-over Code or other applicable take-over rules;
- (5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased or acquired by the Company will be cancelled.

APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL INFORMATION ON THE SHARE BUYBACK MANDATE

In Hong Kong, companies with a primary listing of its equity securities in Hong Kong may only engage an off-market share repurchase approved in accordance with Rule 2 of the Hong Kong Share Buy-backs Code. According to the Hong Kong Share Buy-backs Code, off-market purchases must be approved by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong before a repurchasing company acquires any shares pursuant to such repurchase or acquisitions of Shares. Such approval will normally be conditional upon, amongst others, approval of the proposed off-market repurchase by at least three-fourths of the votes cast on a poll by disinterested shareholders in attendance in person or by proxy at a general meeting of shareholders duly convened and held to consider the proposed transaction. The repurchasing company should also comply with such other applicable requirements under the Hong Kong Share Buy-backs Code, and the offer document to be issued to Shareholders shall contain in addition to the information required under the SGX-ST Listing Manual, the information required under the Hong Kong Share Buy-backs Code.

Even if the Share Buyback Mandate is approved by Shareholders at a general meeting of the Company, the Company will still be required to convene a general meeting to seek specific approval from Shareholders in the event it wishes to conduct an Off-Market Purchase in compliance with the applicable requirements of the Hong Kong Share Buy-backs Code.

3.4 *Maximum Price*

The price (excluding brokerage, stamp duties, commission, transaction levy, trading fee, applicable goods and services tax and other related expenses (collectively, “**related expenses**”)) to be paid for a Share will be determined by the Directors. However, the price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of an On-Market Purchase, 105% of the Average Closing Price (as defined below); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

(the “**Maximum Price**”) in either case, excluding related expenses.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant period of five (5) Market Days. In the case of an On-Market Purchase, the relevant closing market prices shall be taken from the securities

APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL INFORMATION ON THE SHARE BUYBACK MANDATE

exchange on which the relevant trade is to be conducted, and in the case of an Off-Market Purchase effected otherwise than on the SGX-ST or the Hong Kong Stock Exchange, the relevant closing market prices shall be taken from both the SGX-ST and the Hong Kong Stock Exchange; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase.

3.5 *Status of Purchased or Acquired Shares*

Share which is purchased or acquired by the Company under the Share Buyback Mandate shall be deemed cancelled immediately on purchase or acquisition and shall not be held in treasury, and all rights and privileges attached to that Share will immediately expire on cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and the total issued share capital will be diminished by the nominal value of the Shares repurchased but the cancellation of the purchased or acquired Shares shall not be taken as reducing the amount of the Company’s authorised share capital. The listing of all Shares which are repurchased by the Company shall be automatically cancelled upon purchase under the Hong Kong Listing Rules.

4. **Reporting Requirements**

The SGX-ST Listing Manual specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares no later than 9.00 a.m.:

- (a) in the case of an On-Market Purchase, on the Market Day following the day on which the On-Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

The notification of such purchase or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary notifications to the SGX-ST. To ensure parity of information, the Company will also release the same announcement on the Hong Kong Stock Exchange as appropriate.

Under the Hong Kong Listing Rules, after a listed issuer has made a purchase or acquisition of its shares whether on the Hong Kong Stock Exchange or otherwise, the listed issuer shall:

- (i) submit for publication to the Hong Kong Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the issuer makes a purchase or acquisition of shares (whether on the Hong Kong Stock Exchange or otherwise), the total number of

shares purchased or acquired by the issuer the previous day, the purchase price per share or the highest and lowest prices paid for such purchases or acquisitions of shares, where relevant, and shall confirm that those purchases or acquisitions of shares which were made on the Hong Kong Stock Exchange were made in accordance with the Hong Kong Listing Rules and if the issuer's primary listing is on the Hong Kong Stock Exchange, that there have been no material changes to the particulars contained in the explanatory statement issued by the listed issuer in relation to the mandate pursuant to which such purchase or acquisition of shares is made. In respect of purchases or acquisitions of shares made on another stock exchange, the issuer's report must confirm that those purchases were made in accordance with the domestic rules applying to purchases on that other stock exchange. Such reports shall be made on a return in such form and containing such information as the Hong Kong Stock Exchange may from time to time prescribe. In the event that no shares are purchased on any particular day then no return need be made to the Hong Kong Stock Exchange; and

- (ii) include in its annual report and accounts a monthly breakdown of purchases of shares made during the financial year under review showing the number of shares purchased each month (whether on the Hong Kong Stock Exchange or otherwise) and the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid by the issuer for such purchases. The section headed "Report of Directors" in the issuer's annual report shall contain reference to the purchases made during the year and the reasons for making such purchases.

The issuer shall procure that any broker appointed by the issuer to effect the purchase or acquisition of its shares shall disclose to the Hong Kong Stock Exchange such information with respect to purchases made on behalf of the issuer as the Hong Kong Stock Exchange may request.

5. Sources of Funds

The Company may only apply funds for the purchase or acquisition of Shares as provided in the Memorandum, the Bye-Laws and the applicable laws and regulations in Bermuda, as well as in accordance with the applicable rules of the SGX-ST and the Hong Kong Stock Exchange.

Under the Bermuda Companies Act, any purchase or acquisition of Shares pursuant to the Share Buyback Mandate may only be paid out of the capital paid up on the Shares to be purchased or acquired, or out of the funds of the Company which would be otherwise available for dividend or distribution, or out of the proceeds of a fresh issue of Shares made for the purposes of the purchase or acquisition. Currently, the Company does not intend to fund any purchase or acquisition of Shares out of the proceeds of a fresh issue of Shares made for the purposes of the purchase or acquisition.

Any premium payable on such a purchase or acquisition over the par value of the Shares to be repurchased must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased. The funds for making any proposed purchase shall be from funds legally available for such purpose in accordance with the Bye-Laws and the laws of Bermuda.

APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL INFORMATION ON THE SHARE BUYBACK MANDATE

However, no purchase by the Company of its Shares may be effected, if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

The Company may not purchase its Shares for a consideration other than in cash or, in the case of an On-Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST or the Hong Kong Stock Exchange (as the case may be).

The Company currently intends to use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. It is possible that the exercise of the Share Buyback Mandate to its full extent may have a potential material adverse impact on the working capital or gearing position of the Group as compared with the position disclosed in the audited consolidated financial statements contained in the Company's annual report for the year ended March 31, 2014. As such, the Directors are mindful of and do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements or gearing ratio of the Group.

6. Illustrative Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases of Shares that may be made pursuant to the Share Buyback Mandate on the NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

As any Shares purchased or acquired under the Share Buyback Mandate shall be cancelled, the Company's total number of issued Shares and total issued share capital will be diminished by the nominal value of the Shares repurchased or acquired. The NTA of the Group will be reduced by the aggregate purchase price or consideration paid by the Company for the Shares.

The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources and the expansion and investment plans of the Group, and the prevailing market conditions.

**APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL
INFORMATION ON THE SHARE BUYBACK MANDATE**

For illustrative purposes only, assuming that:

- (a) based on 375,736,800 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2014 AGM, not more than 37,573,680 Shares (representing 10% of the total number of issued Shares as at that date (the Company does not have any treasury shares), and assuming this number does not exceed 10% of the issued share capital of the Company) may be purchased by the Company pursuant to the Share Buyback Mandate;
- (b) in the case of On-Market Purchases by the Company, the Company purchases or acquires 37,573,680 Shares at the Maximum Price of approximately S\$0.172 for each Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 37,573,680 Shares (excluding related expenses) is approximately S\$6.4 million (approximately HK\$40.0 million assuming an exchange rate of S\$1:HK\$6.2);
- (c) in the case of Off-Market Purchases by the Company, the Company purchases or acquires the 37,573,680 Shares at the Maximum Price of S\$0.196 for each Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 37,573,680 Shares (excluding related expenses) is approximately S\$7.4 million (approximately HK\$45.7 million assuming an exchange rate of S\$1:HK\$6.2);
- (d) such purchase or acquisition of Shares is financed solely by internal sources of funds;
- (e) the Share Buyback Mandate had been effective on April 1, 2013; and
- (f) the Company had purchased or acquired 37,573,680 Shares and cancelled the same,

the financial effects of the purchase or acquisition of 37,573,680 Shares by the Company on the audited consolidated financial statements of the Company and the Group for the financial year ended March 31, 2014 pursuant to the Share Buyback Mandate are as follows:

**APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL
INFORMATION ON THE SHARE BUYBACK MANDATE**

Figure A1: Purchases made out of capital and cancelled

	Group			Company		
	After Share Buyback Before Share Buyback (HK\$'000)	After Share Buyback assuming On-Market Purchase (HK\$'000)	After Share Buyback assuming Off-Market Purchase (HK\$'000)	After Share Buyback Before Share Buyback (HK\$'000)	After Share Buyback assuming On-Market Purchase (HK\$'000)	After Share Buyback assuming Off-Market Purchase (HK\$'000)
As at March 31, 2014						
Share capital	74,544	67,029	67,029	74,544	67,029	67,029
Shareholders' funds	557,616	517,609	511,894	310,118	270,111	264,396
NTA	557,616	517,609	511,894	310,118	270,111	264,396
Current assets	1,276,950	1,236,943	1,231,228	152,826	112,819	107,104
Current liabilities	939,064	939,064	939,064	11,361	11,361	11,361
Working capital	337,886	297,879	292,164	141,465	101,458	95,743
Cash and cash equivalents	226,273	186,266	180,551	2,925	2,925	2,925
Profit after tax and non-controlling interest	29,004	29,004	29,004	8,193	8,193	8,193
Number of issued Shares*	375,736,800	338,163,120	338,163,120	375,736,800	338,163,120	338,163,120
Financial ratios						
NTA/Share (HK cents)	148.41	153.06	151.37	82.54	79.88	78.19
EPS (HK cents)	7.72	8.58	8.58	2.18	2.42	2.42
Current ratio (times)	1.36	1.32	1.31	13.45	9.93	9.43
Return on equity (%)	5.20	5.60	5.67	2.64	3.03	3.10

**APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL
INFORMATION ON THE SHARE BUYBACK MANDATE**

Figure A2: Purchases made out of profit and cancelled

	Group			Company		
	After Share Buyback Before Share Buyback (HK\$'000)	After Share Buyback assuming On-Market Purchase (HK\$'000)	After Share Buyback assuming Off-Market Purchase (HK\$'000)	After Share Buyback Before Share Buyback (HK\$'000)	After Share Buyback assuming On-Market Purchase (HK\$'000)	After Share Buyback assuming Off-Market Purchase (HK\$'000)
As at March 31, 2014						
Share capital	74,544	74,544	74,544	74,544	74,544	74,544
Shareholders' funds	557,616	517,609	511,894	310,118	270,111	264,396
NTA	557,616	517,609	511,894	310,118	270,111	264,396
Current assets	1,276,950	1,236,943	1,231,228	152,826	112,819	107,104
Current liabilities	939,064	939,064	939,064	11,361	11,361	11,361
Working capital	337,886	297,879	292,164	141,465	101,458	95,743
Cash and cash equivalents	226,273	186,266	180,551	2,925	2,925	2,925
Profit after tax and non-controlling interest	29,004	29,004	29,004	8,193	8,193	8,193
Number of issued Shares*	375,736,800	338,163,120	338,163,120	375,736,800	338,163,120	338,163,120
Financial ratios						
NTA/Share (HK cents)	148.41	153.06	151.37	82.54	79.88	78.19
EPS (HK cents)	7.72	8.58	8.58	2.18	2.42	2.42
Current ratio (times)	1.36	1.32	1.31	13.45	9.93	9.43
Return on equity (%)	5.20	5.60	5.67	2.64	3.03	3.10

Note on Figures A1 and A2:

* As the number of issued Shares of the Company as at the Latest Practicable Date is 375,736,800, the above illustrative financial effects were prepared on the assumption that the number of issued shares of the Company (a) prior to the Share Buyback was 375,736,800, and (b) after the Share Buyback was 338,163,120.

Shareholders should note that the financial effects set out above are purely for illustrative purposes and based only on the above-mentioned assumptions. Although the proposed Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of its issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of its issued Shares.

Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional advisers.

**APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL
INFORMATION ON THE SHARE BUYBACK MANDATE**

7. Relevant Provisions of SGX-ST Listing Manual and Hong Kong Listing Rules

7.1 Dealing restrictions

While the SGX-ST Listing Manual does not expressly prohibit purchase of shares by a listed company during any particular time or times, because a listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not purchase any Shares pursuant to the Share Buyback Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of a consideration and/or a decision of the Board until such time as such information has been publicly announced. In particular, in line with Rule 1207(19)(c) of the SGX-ST Listing Manual, the Company will not purchase or acquire any Shares through On-Market Purchases during the period of:

- (a) one (1) month immediately preceding the announcement of the Company’s full-year financial statements; and
- (b) two (2) weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of its financial year.

In line with Rule 10.06(2)(e) of the Hong Kong Listing Rules, the Company will not purchase or acquire any Shares through On-Market Purchases at any time after inside information has come to its knowledge until the information is publicly available. In particular, during the period of one month preceding the earlier of:

- (a) the date of the board meeting (as such date is first notified to the Hong Kong Stock Exchange in accordance with the Hong Kong Listing Rules) for the approval of the Company’s result for any year, half-year, quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules); and
- (b) the deadline for the Company to announce its results for any year or half-year under the Hong Kong Listing Rules, or quarterly or any other interim period (whether or not required under the Hong Kong Listing Rules)

Further, under the Hong Kong Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase of Shares by it, whether on the Hong Kong Stock Exchange or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the Company to issue securities, which were outstanding prior to that purchase of its own securities), without the prior approval of the Hong Kong Stock Exchange.

The Company is required to comply with the SGX-ST Listing Manual and the Hong Kong Listing Rules at all times and this is regardless of whether the purchase or acquisition by the Company of any Shares under the Share Buyback Mandate occurs on the SGX-ST or the Hong Kong Stock Exchange, and in the event that the above-mentioned periods specified under the SGX-ST Listing Manual and the Hong Kong Listing Rules in which On-Market Purchases are restricted are not identical, the Company will comply with the more onerous of the two.

7.2 Public float

The Company is required under Rule 723 of the SGX-ST Listing Manual to ensure that at least 10% of its Shares are in the hands of the public. The “public”, as defined under the SGX-ST Listing Manual, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its Subsidiaries, as well as the Associates of such persons.

The Company is also required under Rule 8.08 of the Hong Kong Listing Rules to ensure that at least 25% of its Shares are in the hands of the “public”. The Hong Kong Stock Exchange will not regard any connected person of the Company as a member of the “public” or shares held by a connected person as being “in public hands”. In addition the Hong Kong Stock Exchange will not recognize as a member of “the public”: (i) any person whose acquisition of securities has been financed directly or indirectly by a connected person; and (ii) any person who is accustomed to take instructions from a connected person in relation to the acquisition, disposal, voting or other disposition of securities of the issuer registered in his name or otherwise held by him. “Connected person”, as defined under the Hong Kong Listing Rules, means a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them.

Based on the Register of Substantial Shareholders and the Register of Members maintained by the Company as at the Latest Practicable Date, approximately 216,298,981 Shares, representing 57.57% of the total number of issued Shares (the Company does not have treasury shares), were in the hands of the public. Assuming that the Company purchases its Shares up to the full 10% limit pursuant to the Share Buyback Mandate from the public, the number of Shares in the hands of the public would be reduced to 178,725,301 Shares, representing 52.85% of the reduced total number of issued Shares. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST and the Hong Kong Stock Exchange, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through On-Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST and the Hong Kong Stock Exchange, cause market illiquidity or adversely affect the orderly trading of the Shares.

APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL INFORMATION ON THE SHARE BUYBACK MANDATE

8. Take-over Implications

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

8.1 *Obligation to make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Singapore Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Singapore Take-over Code.

8.2 *Persons Acting in Concert*

Under the Singapore Take-over Code, persons acting in concert (“**concert parties**”) comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client’s equity share capital;

**APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL
INFORMATION ON THE SHARE BUYBACK MANDATE**

- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and their concert parties respectively, will incur an obligation to make a take-over offer under Rule 14 of the Singapore Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 to the Singapore Take-over Code.

8.3 Effect of Rule 14 and Appendix 2 to the Singapore Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 to the Singapore Take-over Code containing the Share Buy-Back Guidance Note is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2 to the Singapore Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Buyback Mandate.

As at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company are obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 to the Singapore Take-over Code as a result of a purchase by the Company of the maximum limit of 10% of the total number of issued Shares pursuant to the proposed Share Buyback Mandate. The Directors are not aware of any potential Shareholder(s) who may have to make a general offer to the other Shareholders as a result of a purchase of Shares by the Company pursuant to the proposed Share Buyback Mandate.

8.4 *Hong Kong Takeovers Code*

Under Rule 26 of the Hong Kong Takeovers Code, unless an applicable waiver has been obtained, a mandatory offer is required when (i) any person acquires, whether by a series of transactions over a period of time or not, 30% or more of the voting rights of a company; (ii) two or more persons are acting in concert, and collectively hold less than 30% of the voting rights of a company, and any one or more of them acquires voting rights and such acquisition has the effect of increasing their collective holding of voting rights to 30% or more of the voting rights of the company; (iii) any person holds not less than 30%, but not more than 50%, of the voting rights of a company and that person acquires additional voting rights and such acquisition has the effect of increasing that person's holding of voting rights of the company by more than 2% from the lowest percentage holding of that person in the 12-month period ending on and inclusive of the date of the relevant acquisition; or (iv) two or more persons are acting in concert, and they collectively hold not less than 30%, but not more than 50%, of the voting rights of a company, and any one or more of them acquires additional voting rights and such acquisition has the effect of increasing their collective holding of voting rights of the company by more than 2% from the lowest collective percentage holding of such persons in the 12-month period ending on and inclusive of the date of the relevant acquisition.

Under Rule 32 of the Hong Kong Takeovers Code, if as a result of the repurchase of securities by the Company pursuant to the Share Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Hong Kong Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Hong Kong Takeovers Code.

As at the Latest Practicable Date, Max Power Assets Limited held 90,499,154 Shares, representing approximately 24.09% of the issued ordinary share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the relevant Ordinary Resolution 8 of the 2014 AGM, then (if the present shareholdings otherwise remained the same) the interests of Max Power Assets Limited would increase from approximately 24.09% to approximately 26.76% of the then issued ordinary share capital of the Company. In the opinion of the Directors, such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Hong Kong Takeovers Code. Accordingly, the Directors are currently not aware of any consequences which will arise under the Hong Kong Takeovers Code as a result of a purchase of Shares by the Company pursuant to the proposed Share Buyback Mandate.

**APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL
INFORMATION ON THE SHARE BUYBACK MANDATE**

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Singapore Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council of Singapore and/or their professional advisers at the earliest opportunity.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Hong Kong Takeovers Code as a result of any purchase or acquisition of Shares by the Company should consult their professional advisers at the earliest opportunity.

9. Previous Share Buybacks

No purchase or acquisition of Shares has been made by the Company in the 12 months preceding the Latest Practicable Date.

10. Historical Share Prices

The highest and lowest prices at which the Shares were traded on the SGX-ST and the Hong Kong Stock Exchange respectively during each of the months starting from December 2013 (from December 6, 2013, the date on which the Shares were listed on Hong Kong Stock Exchange) up to June 2014 (up to and including the Latest Practicable Date) were as follows:

	Per Share on SGX-ST		Per Share on Hong Kong Stock Exchange	
	Highest (S\$)	Lowest (S\$)	Highest (HK\$)	Lowest (HK\$)
2013				
December (from December 6, 2013)	0.210	0.156	1.15	0.86
2014				
January	0.165	0.151	1.05	0.87
February	0.153	0.135	0.90	0.80
March	0.162	0.144	0.96	0.78
April	0.167	0.155	1.00	0.92
May	0.170	0.160	1.00	1.00
June (up to and including the Latest Practicable Date)	0.165	0.160	1.00	0.95

**APPENDIX III EXPLANATORY STATEMENT FOR AND ADDITIONAL
INFORMATION ON THE SHARE BUYBACK MANDATE**

11. Directors, their undertakings and associates and connected persons

The Directors have undertaken to the Hong Kong Stock Exchange that they will exercise the Share Buyback Mandate in accordance with the Hong Kong Listing Rules, all applicable Bermuda laws, the Memorandum and the Bye-Laws. None of the Directors and, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company or its subsidiaries under the Share Buyback Mandate if the Share Buyback Mandate is approved by the Shareholders at the 2014 AGM.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company or has undertaken to the Company not to sell any of the Shares held by him/her/it to the Company, in the event that the Share Buyback Mandate is approved by the Shareholders at the 2014 AGM.

The amendments which are proposed to be made to the Bye-Laws and the rationale for each of the amendments are set out below. The insertions proposed to be made to each existing Bye-Law is in bold and underlined, and proposed deletions are denoted by strikethroughs. Each proposed amendment is accompanied by an explanatory note.

Bye-Law No.	Existing Bye-Law	Amended Bye-Law	Reasons for amendment(s)
21.(A)	Except in the case of executors or administrators or trustees of the estate of a deceased shareholder the Company shall not be bound to register more than three (3) persons as joint holders of any share.	Except in the case of executors or administrators or trustees of the estate of a deceased shareholder the Company shall not be bound to register more than <u>four</u> three (3 4) persons as joint holders of any share.	To align with the guidance letter issued by Hong Kong Stock Exchange (HKEx-GL64-13 (July 2013) (Updated in December 2013 and March 2014)) in which the standard notes in relation to an application for shares offered in Hong Kong in IPO cases states, among other things, “The number of joint applicants may not exceed four”.

Bye-Law No.	Existing Bye-Law	Amended Bye-Law	Reasons for amendment(s)
86.(B)	<p>To the extent permitted by the Companies Act, where a shareholder is the Depository (or its nominee) or a clearing house, in each case being a corporation, it may authorise such person or persons as it thinks fit to act as its corporate representative or representatives at any meeting of the Company or at any meeting of any class of shareholder provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-Law shall be entitled to exercise the same rights and powers as if such person was the registered holder of the shares of the Company held by the Depository (or its nominee) or the clearing house.</p>	<p>To the extent permitted by the Companies Act, where a shareholder is the Depository (or its nominee) or a clearing house, in each case being a corporation, it may authorise such person or persons as it thinks fit to act as its corporate representative or representatives at any meeting of the Company or at any meeting of any class of shareholder provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-Law shall be <u>deemed to have been duly authorised without the need of producing any documents of title, notarized authorization and/or further evidence for substantiating the facts that it is duly authorised and will be</u> entitled to exercise the same rights and powers as if such person was the registered holder of the shares of the Company held by the Depository (or its nominee) or the clearing house.</p>	For administrative efficiency

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Willas-Array Electronics (Holdings) Limited (the “**Company**”) will be held on Thursday, July 31, 2014 at 9.30 a.m. at Mandarin Orchard Singapore, Grange Ballroom, Level 5, Main Tower, 333 Orchard Road, Singapore 238867, to transact the following businesses:-

As Ordinary Business

ORDINARY RESOLUTIONS

1. To read, consider and adopt the Directors’ Report and Audited Financial Statements of the Company for the financial year ended March 31, 2014 together with the Independent Auditors’ Report thereon.

[Ordinary Resolution 1]

2. To declare a first and final dividend of HK\$0.06822 per ordinary share for the financial year ended March 31, 2014.

[Ordinary Resolution 2]

3. To approve the proposed Directors’ fees of S\$180,000/- for the financial year ending March 31, 2015. [2014 : S\$180,000/-]

[Ordinary Resolution 3]

4. To re-elect Mr. Leung Chun Wah (who will retire pursuant to Bye-Law 104 of the Company’s Bye-Laws) as an executive Director of the Company.

[Ordinary Resolution 4]

5. To note the retirement of Mr. Hung Yuk Choy, an Executive Director of the Company retiring pursuant to Bye-Law 104 of the Company’s Bye-Laws, who has decided not to seek for re-election.

NOTICE OF ANNUAL GENERAL MEETING

6. To appoint Mr. Leung Hon Shing as an Executive Director of the Company.

[Ordinary Resolution 5]

7. To appoint Messrs. Deloitte Touche Tohmatsu, Hong Kong as the independent Auditor of the Company in place of the retiring independent Auditor, Messrs. Deloitte & Touche LLP and to authorise the Directors of the Company to fix their remuneration.

[Ordinary Resolution 6]

[See Explanatory Note (i)]

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

As Special Business

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions as Ordinary Resolutions:-

9. Authority to allot and issue new ordinary shares in the share capital of the Company

“THAT pursuant to Rule 806 of the Listing Manual (“**SGX-ST Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**SEHK Listing Rules**”):

- (a) subject to paragraph (c) of this Resolution below and pursuant to the SGX-ST Listing Manual and the SEHK Listing Rules, respectively, authority be and is hereby given to the directors of the Company (“**Directors**”), at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit, to exercise all the powers of the Company to allot and issue new ordinary shares of HK\$0.2 each in the share capital of the Company (the “**Shares**”) (whether by way of rights, bonus or otherwise) or securities convertible into Shares or options, warrants or similar rights to subscribe or exchange for Shares or convertible securities, and to make or grant offers, agreements and options that might or would require Shares to be issued (“**Instruments**”), including but not limited to, warrants or similar instruments;
- (b) the approval in paragraph (a) of this Resolution above shall authorise the Directors to make or grant Instruments during the Relevant Period, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued and allotted, or agreed conditionally or unconditionally to be issued and allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, shall not exceed 50% of the total number of Shares of the Company in issue (excluding any treasury

NOTICE OF ANNUAL GENERAL MEETING

shares) (as calculated in accordance with paragraph (d) below), of which the aggregate number of Shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued and allotted, or agreed conditionally or unconditionally to be issued and allotted (whether pursuant to options or otherwise) other than on a pro-rata basis to the existing shareholders of the Company shall not exceed the lower of (i) 10% of the total number of Shares of the Company in issue (excluding any treasury shares) (as calculated in accordance with paragraph (d) below); and (ii) 10% of the issued share capital of the Company as at the date of passing this Resolution; and

(d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the date of passing of this Resolution until the earlier of:

- (i) the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law or by the Bye-Laws of the Company to be held; or
- (ii) the passing of an ordinary resolution by the shareholders of the Company in a general meeting revoking or varying the authority given to the Directors by this Resolution; and

“**total number of Shares of the Company in issue**” means (subject to such manner of calculation as may be prescribed by the SGX-ST and/or The Stock Exchange of Hong Kong Limited (the “**SEHK**”)) for the purpose of determining the aggregate number of Shares that may be issued under paragraph (c) above, the total number of Shares (excluding any treasury shares) in the capital of the Company which shall be based on the total number of issued Shares (excluding any treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for: (I) any new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and (II) any subsequent bonus issue, consolidation or subdivision of Shares.”

[**Ordinary Resolution 7**]

[See Explanatory Note (ii)]

10. Authority to purchase or acquire Shares in the share capital of the Company under the Share Buyback Mandate:-

“THAT

- (a) pursuant to the Company’s Memorandum of Association and Bye-Laws, and subject to the Bermuda Companies Act, the Directors be and are hereby authorised to exercise all the

NOTICE OF ANNUAL GENERAL MEETING

powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as defined below) at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

- (i) on-market purchase(s) (each an “**On-Market Purchase**”) on the SGX-ST or the SEHK, as the case may be; and/or
- (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST or the SEHK pursuant to an equal access scheme as may be determined or formulated by the Directors as they consider fit,

in accordance with all applicable laws, rules and regulations, including but not limited to the provisions of the SGX-ST Listing Manual, the Singapore Code on Take-overs and Mergers, the Bermuda Companies Act, the Companies Act (Chapter 50 of Singapore), the Company’s Memorandum of Association and Bye-Laws, and The Rules Governing the Listing of Securities on the SEHK, The Codes on Takeovers and Mergers and Share Buy-backs administered by the Securities and Futures Commission in Hong Kong, and such exercise be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”),

provided always that all Shares which are purchased or acquired by the Company pursuant to the Share Buyback Mandate shall be deemed cancelled immediately on purchase or acquisition, and shall not be held as treasury shares;

- (b) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next annual general meeting of the Company is held, or the date by which the next annual general meeting of the Company is required by law or by the Bye-Laws of the Company to be held; or
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and
- (c) for the purposes of this Resolution:

“**Maximum Limit**” means that number of issued Shares representing not more than the lower of (i) 10% of the total number of Shares of the Company in issue as at the date of passing of this Resolution, unless the Company has, at any time during the Relevant Period (as defined below), effected a reduction of the issued share capital of the Company in accordance with the applicable provisions of the Bermuda Companies Act, in which event

NOTICE OF ANNUAL GENERAL MEETING

the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered by the capital reduction; and (ii) 10% of the issued share capital of the Company as at the date of passing this Resolution. Any Shares which are held as treasury Shares will be disregarded for the purposes of computing the 10% limit;

“**Relevant Period**” means the period commencing from the date of the annual general meeting of the Company prior to the date of passing of this Resolution, and expiring on the date on which the next annual general meeting of the Company is held or is required by law or by the Bye-Laws of the Company to be held, whichever is the earlier;

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means the price (excluding brokerage, regulatory body’s transaction levy, stock exchange trading fee, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share to be determined by the Directors, which shall not exceed:

- (i) in the case of an On-Market Purchase, 105% of the Average Closing Price (as defined below); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days (as defined below), on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant period of five (5) Market Days. In the case of a On-Market Purchase, the relevant closing market prices shall be taken from the securities exchange on which the relevant trade is to be conducted, and in the case of an Off-Market Purchase effected otherwise than on the SGX-ST or the SEHK, the relevant closing market prices shall be taken from both the SGX-ST and the SEHK;

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST or the SEHK is open for trading in securities; and

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they and/or he/she may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

[Ordinary Resolution 8]

[See Explanatory Note (iii)]

11. Authority to allot and issue Shares pursuant to the exercise of options granted under the Willas-Array Electronics Employee Share Option Scheme II (the “ESOS II”)

“THAT the Directors of the Company be and are hereby authorised to allot and issue such number of new Shares as may be required to be issued from time to time pursuant to the exercise of options granted under the ESOS II.”

[Ordinary Resolution 9]

[See Explanatory Note (iv)]

SPECIAL RESOLUTION

12. To consider and, if thought fit, to pass the following resolution with or without amendments as a Special Resolution of the Company:

“THAT each of the Company’s existing Bye-Laws below be and is hereby amended with the insertions in bold and underlined, and deletions denoted by strikethroughs.

Bye-Law 21.(A) Except in the case of executors or administrators or trustees of the estate of a deceased shareholder the Company shall not be bound to register more than **four** ~~three~~-(34) persons as joint holders of any share.

Bye-Law 86.(B) To the extent permitted by the Companies Act, where a shareholder is the Depository (or its nominee) or a clearing house, in each case being a corporation, it may authorise such person or persons as it thinks fit to act as its corporate representative or representatives at any meeting of the Company or at any meeting of any class of shareholder provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-Law shall be **deemed to have been duly authorised without the need of producing any documents of title, notarized authorization and/or further evidence for substantiating the facts that it is duly authorised and will be** entitled to exercise the same rights and powers as if such person was the registered holder of the shares of the Company held by the Depository (or its nominee) or the clearing house.”

[Special Resolution 1]

[See Explanatory Note (v)]

NOTICE OF ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

Leung Hon Shing

Company Secretary

Singapore,
July 2, 2014

Notes:

1. With the exception of The Central Depository (Pte) Ltd. (the “**Depository**”) and HKSCC Nominees Limited (“**HKSCC Nominees**”) who may appoint more than two (2) proxies, a member of the Company entitled to attend and vote at the above annual general meeting of the Company (the “**AGM**”) is entitled to appoint no more than two (2) proxies to attend and vote on his/her/its behalf. A proxy need not be a member of the Company.
2. Where a form of proxy appoints more than one (1) proxy (including the case where such appointment results from a nomination by the Depository or HKSCC Nominees), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
3. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its corporate representative at the Meeting.
4. To be valid, the instrument appointing a proxy or proxies, or nominating a proxy or proxies on behalf of the Depository together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the office of the Company’s Singapore Share Transfer Agent, Intertrust Singapore Corporate Services Pte. Ltd., at 3 Anson Road, #27-01 Springleaf Tower, Singapore 079909 (for Singapore shareholders), or of the Company’s Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong (for Hong Kong shareholders) not less than 48 hours before the time appointed for holding the AGM or at any adjournment thereof.
5. Subject to the receipt of shareholders’ approval at the AGM, the first and final dividend will be payable on Friday, August 22, 2014. In order to qualify for the final dividend, Hong Kong shareholders must lodge all transfer documents accompanied by the relevant share certificates for registration with the Company’s Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Monday, August 11, 2014. Any removal of the shares between the branch registers of members in Singapore and Hong Kong has to be made by shareholders no

NOTICE OF ANNUAL GENERAL MEETING

later than 5:00 p.m. on Monday, August 4, 2014. Shareholders who hold their shares on the Hong Kong branch register of members will receive their final dividend payment in Hong Kong dollars; while shareholders who hold their shares on the Singapore register of members will receive their final dividend payment in Singapore dollars.

6. Pursuant to Rule 13.39(4) of the SEHK Listing Rules, all resolutions set out in this Notice will be voted by poll.

EXPLANATORY NOTES:

- (i) **Further information on this proposal is set out in the circular of the Company dated July 2, 2014 (“Circular”), and in particular, Appendix II thereto.**
- (ii) **Further information on this proposal is set out in the Circular, and in particular, on pages 7 to 8 thereto.**
- (iii) **Detailed information on the Share Buyback Mandate (as defined in Ordinary Resolution 8 above), including the sources of funds to be used for such purchase or acquisition, the amount of financing (if any) and the illustrative financial impact on the Company’s financial position, is set out in the Circular, and in particular, Appendix III thereto.**
- (iv) **The ESOS II had expired on June 10, 2011. As at the date of this Notice, an aggregate of 7,356,000 options granted under the ESOS II are outstanding and remain exercisable. The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to the exercise of the options granted under the ESOS II.**
- (v) **Please refer to Appendix IV of the Circular.**

As at the date of this notice, the board of directors of the Company 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.