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威雅利電子(集團)有限公司
WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED
(Incorporated in Bermuda with limited liability)
(Hong Kong stock code: 854)
(Singapore stock code: W12)

**PROPOSED SHARE CONSOLIDATION AND
PROPOSED BOARD LOT SIZE CHANGE**

The Company proposes to consolidate every five existing issued and unissued Shares into one Consolidated Share and change the board lot size for the Shares quoted and traded on SEHK from 5,000 Shares to 1,000 Consolidated Shares upon the Proposed Share Consolidation becoming effective.

Shareholders and potential investors should note that the Proposed Share Consolidation and the Proposed Change in Board Lot Size are subject to satisfaction of certain conditions. Accordingly, the Proposed Share Consolidation and the Proposed Change in Board Lot Size may or may not finally proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

1. Introduction

- 1.1 The board of directors (the "**Board**") of Willas-Array Electronics (Holdings) Limited (the "**Company**") wishes to announce that the Company proposes to undertake a share consolidation (the "**Proposed Share Consolidation**") of every five existing issued and unissued ordinary shares of par value HK\$0.20 each in the capital of the Company (the "**Shares**") (the Company does not have any treasury shares) as at a books closure date to be determined by the Board (the "**Books Closure Date**") into one consolidated ordinary share of par value HK\$1.00 each in the capital of the Company (a "**Consolidated Share**").
- 1.2 As a result of the Proposed Share Consolidation, each shareholder of the Company (a "**Shareholder**") will receive one Consolidated Share for every five Shares held prior to the Proposed Share Consolidation as at the Books Closure Date, fractional entitlements to be disregarded.

- 1.3 As at the date of this announcement, the Shares are traded on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in board lot size of 100 Shares and on The Stock Exchange of Hong Kong ("**SEHK**") in board lot size of 5,000 Shares. The Company proposes to change the board lot size for Shares quoted and traded on SEHK from 5,000 Shares to 1,000 Consolidated Shares upon the Proposed Share Consolidation becoming effective (the "**Proposed Board Lot Size Change**").
- 1.4 Based on SEHK's closing price of HK\$1.50 per Share (equivalent to HK\$7.50 per Consolidated Share) as at the date of this announcement and the existing board lot size of 5,000 Shares, the prevailing board lot value is HK\$7,500. Based on the aforesaid closing price and assuming the Proposed Share Consolidation and the Proposed Board Lot Size Change have become effective, the new board lot value would be maintained at HK\$7,500.
- 1.5 **Shareholders whose Shares are quoted on the SGX-ST should note that there will be no change in the board lot size of the Shares quoted on the SGX-ST, which will remain at 100 Shares per board lot both before and after the Proposed Share Consolidation.**

2. Details of the Proposed Share Consolidation

- 2.1 **Shareholders should note that the number of Consolidated Shares which they will be entitled to resulting from the Proposed Share Consolidation, based on their holdings of Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including aggregating and selling the same and retaining the net proceeds for the benefit of the Company.**
- 2.2 Each Consolidated Share will rank *pari passu* in all respects with each other and the Proposed Share Consolidation will not result in any change in the relative rights of the Shareholders, and will be traded on the SGX-ST in board lots of 100 Consolidated Shares and, after the Proposed Board Lot Size Change becomes effective, on SEHK in board lots of 1,000 Consolidated Shares.
- 2.3 As at the date of this announcement, the Company has an issued and paid-up capital of HK\$75,348,960 comprising 376,744,800 Shares. On the assumptions that no further Shares will be issued or purchased or acquired by the Company from the date of this announcement up to the Books Closure Date and no fractions of Consolidated Shares will arise from the Proposed Share Consolidation, following the implementation of the Proposed Share Consolidation, the Company will have an issued and paid-up capital of HK\$75,348,960 comprising 75,348,960 Consolidated Shares.
- 2.4 The current authorised share capital of the Company of HK\$120,000,000 divided into 600,000,000 Shares will be restructured to HK\$120,000,000 divided into 120,000,000 Consolidated Shares following the implementation of the Proposed Share Consolidation.

2.5 The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and will have no effect on the Shareholders' equity of the Company and its subsidiaries. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation.

3. **Rationale for the Proposed Share Consolidation and the Proposed Board Lot Size Change**

3.1 On August 1, 2014, the Monetary Authority of Singapore and Singapore Exchange Limited jointly announced that from March 2015, all issuers listed on the Main Board of the SGX-ST would be given a one year transition period to comply with a listing requirement that their six month volume weighted average price on the SGX-ST be maintained at a minimum trading price of S\$0.20 per share (the "**MTP Requirement**"). The MTP Requirement was introduced to improve the overall quality and attractiveness of the securities market in Singapore, as well as to curb excessive speculation and market manipulation. On February 10, 2015, Singapore Exchange Limited further announced that the MTP Requirement would be introduced with effect from March 2, 2015, with issuers to be assessed for compliance with the MTP Requirement from March 1, 2016.

3.2 The Company's Share price was consistently below S\$0.20 for the past six calendar months prior to the date of this announcement. As such, the Company proposes to undertake the Proposed Share Consolidation to help ensure that it will be in a position to comply with the MTP Requirement when it comes into force in 2016.

3.3 The Proposed Share Consolidation will theoretically increase the market value per board lot of Consolidated Shares, which will theoretically reduce the overall transaction and handling costs of dealings as a proportion of the market value of each board lot. The higher trading price of the Consolidated Shares will also help to increase the comparability of the Company with other listed companies of similar scale and market capitalisation. These factors will help to make investing in the Consolidated Shares more attractive to a broader range of investors and will thus help to further broaden the Shareholder base of the Company.

3.4 In respect of the Proposed Board Lot Size Change, the Board is of the view that it will result in the Consolidated Shares being traded on SEHK in a more reasonable board lot size and value, thus improve the trading liquidity of the Company's securities on SEHK.

3.5 For the above reasons, the Board is of the view that the Proposed Share Consolidation and the Proposed Change of Board Lot Size are in the interests of the Company and Shareholders as a whole.

4. Adjustments to Options

- 4.1 The Willas-Array Electronics Employee Share Option Scheme II ("**ESOS II**") expired on June 10, 2011. Notwithstanding the expiry of the ESOS II, the unexercised options granted under the ESOS II (the "**ESOS II Options**") continue to be valid and exercisable subject to the provisions of the ESOS II within their respective exercise periods. As at the date of this announcement, the total number of Shares comprised in such unexercised ESOS II Options is 4,968,000 Shares.
- 4.2 In accordance with the rules of the ESOS II, the ESOS II committee administering the ESOS II shall consider the relevant adjustments required to be made to the unexercised ESOS II Options (including the subscription price for the Consolidated Shares and the number of the Consolidated Shares to be issued upon the exercise of the ESOS II Options) to take into account the effects of the Proposed Share Consolidation.
- 4.3 The Company has not granted any options pursuant to the Willas-Array Electronics Employee Share Option Scheme III since its adoption on July 30, 2013. There are no outstanding options granted under the Willas-Array Electronics Employee Share Option Scheme I which was terminated on July 2, 2011.

5. Approvals and Conditions

- 5.1 The Proposed Share Consolidation will be subject to:
- (a) the approval of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the SGX-ST;
 - (b) the approval of the listing committee of SEHK for the listing of, and permission to deal in, the Consolidated Shares on SEHK;
 - (c) compliance with the relevant procedures and requirements under Bermuda law (where applicable) and the Rules Governing the Listing of Securities on SEHK to effect the Proposed Share Consolidation; and
 - (d) the passing of the ordinary resolution relating to the Proposed Share Consolidation at a general meeting of the Company to be convened,

collectively, the "**Approvals**".

The Proposed Board Lot Size Change is not subject to Shareholders' approval, but will only be effective if the Proposed Share Consolidation is completed.

6. Listing Applications

- 6.1 An application will be made to the SGX-ST for permission to deal in and for the listing of and quotation for the Consolidated Shares on the SGX-ST. An announcement on the outcome of the application will be made in due course.

- 6.2 An application will be made to the SGX-ST to establish a temporary trading board lot size of one Consolidated Share per board lot for a period of one month. Thereafter, Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in such odd lots on the SGX-ST can trade with a minimum size of one Consolidated Share on the SGX-ST's unit share market. An announcement on the outcome of the application will be made in due course.
- 6.3 An application will be made to SEHK for the listing of, and permission to deal in, the Consolidated Shares on SEHK. Subject to the granting of approval for the listing of, and permission to deal in, the Consolidated Shares on SEHK, the Consolidated Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited ("HKSCC") for deposit, clearance and settlement in the Central Clearing and Settlement System established and operated by HKSCC ("CCASS") with effect from the commencement date of dealings in the Consolidated Shares on SEHK or such other date as determined by HKSCC. Settlement of transactions between participants of SEHK on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.
- 6.4 Further announcement with more details on the Proposed Share Consolidation including, amongst others, the timetable for the Proposed Share Consolidation, will be made by the Company in due course.
- 6.5 A circular containing, *inter alia*, the details of the Proposed Share Consolidation will also be despatched to Shareholders in due course.

Shareholders and potential investors should note that the Proposed Share Consolidation is conditional upon satisfaction of the Approvals. Accordingly, the Proposed Share Consolidation may or may not finally proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisors.

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

Hong Kong/Singapore, May 29, 2015

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