
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Capitalised terms used herein shall have the same meanings as ascribed to them in the section headed "Definitions" of this Circular.

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.

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**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 DIRECTORS;**
- (B) GENERAL MANDATE TO ISSUE SHARES;**
- (C) RENEWAL OF SHARE BUYBACK MANDATE; AND**
- (D) PROPOSED SHARE CONSOLIDATION**

AND

NOTICE OF ANNUAL GENERAL MEETING

The notice convening the 2015 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 30, 2015 at 9:30 a.m. or any adjournment thereof at which the above proposals will be considered is set out on pages 44 to 52 of this Circular. If you are unable to attend the 2015 AGM, please complete the form of proxy in accordance with the instructions printed thereon and return it to (i) the Company's share transfer agent in Singapore, Intertrust Singapore Corporate Services Pte. Ltd. at 3 Anson Road, #27-01 Springleaf Tower, Singapore 079909 (for Shareholders in Singapore) 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 (for Shareholders in Hong Kong) as soon as possible but in any event no later than 48 hours before the time appointed for holding the 2015 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2015 AGM or any adjournment thereof should you so wish. Any appointment of proxy shall be deemed to be revoked should you attend the 2015 AGM or any adjournment thereof in person.

June 30, 2015

INDICATIVE TIMETABLE

For illustrative purposes, the following are the indicative dates and times (where applicable) for the Proposed Share Consolidation:

Event	2015 Time and Date (if applicable)
Last date and time for lodging of forms of proxy for the 2015 AGM	9:30 a.m. on Tuesday, July 28
Date and time of the 2015 AGM	9:30 a.m. on Thursday, July 30
Announcement of poll results of resolutions tabled at the 2015 AGM	Thursday, July 30

THE FOLLOWING EVENTS ARE CONDITIONAL ON THE FULFILMENT OF THE CONDITIONS FOR THE IMPLEMENTATION OF THE PROPOSED SHARE CONSOLIDATION (SET OUT IN PARAGRAPH 2.2 OF APPENDIX III TO THIS CIRCULAR). PLEASE NOTE THAT THE EVENTS THAT ARE IN BOLD ARE RELEVANT FOR SHARES TRADED ON THE SGX-ST ONLY UNLESS OTHERWISE SPECIFIED:

<i>Last day of trading of Shares on the SGX-ST on a “pre-consolidated basis”</i>	<i>5:00 p.m. on Tuesday, August 11</i>
<i>Commencement of trading of Shares on the SGX-ST on a “post-consolidation basis”</i>	<i>9:00 a.m. on Wednesday, August 12</i>
<i>Books Closure Date (for Shares traded on the SGX-ST).....</i>	<i>5:00 p.m. on Friday, August 14</i>
<i>Effective Trading Date (for Shares traded on the SGX-ST and Hong Kong Stock Exchange).....</i>	<i>Monday, August 17</i>
<i>Dealings in Consolidated Shares on Hong Kong Stock Exchange commence.....</i>	<i>9:00 a.m. on Monday, August 17</i>
<i>First day of free exchange of Old Share Certificates for New Share Certificates on Hong Kong Stock Exchange.....</i>	<i>Monday, August 17</i>
<i>Temporary close of original counter for trading in Shares on Hong Kong Stock Exchange.....</i>	<i>9:00 a.m. on Monday, August 17</i>
<i>Opening of temporary counter for trading in Consolidated Shares (in the form of Old Share Certificates) on Hong Kong Stock Exchange</i>	<i>9:00 a.m. on Monday, August 17</i>

INDICATIVE TIMETABLE

*Re-opening of original counter for trading
in Consolidated Shares in new board
lot size of 1,000 Consolidated Shares
(in the form of New Share Certificates)
on Hong Kong Stock Exchange 9:00 a.m. on Monday, August 31*

*Commencement of parallel trading in
Consolidated Shares (in the form of
New Share Certificates in board lot
size of 1,000 Consolidated Shares
and Old Share Certificates in board
lot size of 1,000 Consolidated Shares)
on Hong Kong Stock Exchange 9:00 a.m. on Monday, August 31*

*Designated broker starts to stand in
Hong Kong Stock Exchange
market to provide matching services
for the sale and purchase of odd
lots of Consolidated Shares Monday, August 31*

*Close of temporary counter for trading
Consolidated Shares in board lot size of
1,000 Consolidated Shares
(in the form of Old Share Certificates)
on Hong Kong Stock Exchange 4:00 p.m. on Friday, September 18*

*End of parallel trading in Consolidated
Shares (in the form of New Share
Certificates in board lot size of 1,000
Consolidated Shares and Old Share
Certificates in board lot size of 1,000
Consolidated Shares) on Hong Kong
Stock Exchange 4:00 p.m. on Friday, September 18*

*Designated broker ceases to stand in
Hong Kong Stock Exchange market
to provide matching services for the sale
and purchase of odd lots of Consolidated Shares. Friday, September 18*

*Last day for free exchange of Old Share
Certificates for New Share Certificates
for Consolidated Shares on Hong Kong
Stock Exchange Tuesday, September 22*

Save for the date and time by which the forms of proxy must be lodged for the 2015 AGM, the date and time of the 2015 AGM and the date of announcement of poll results of the resolutions tabled at the 2015 AGM, the expected timetable above is subject to the satisfaction of all the conditions of the Proposed Share Consolidation (please refer to paragraph 2.2 of Appendix III to this Circular) and is therefore indicative only. Further announcement(s) (if any) will be made by the Company regarding any significant change to the indicative timetable as appropriate. The relevant date(s), once confirmed, will be announced by the Company in due course.

DEFINITIONS

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

- “2014 AGM”** the AGM held on Thursday, July 31, 2014;
- “2015 AGM”** the AGM to be held on Thursday, July 30, 2015, the notice of which is set out on pages 44 to 52 of this Circular, and any adjournment thereof;
- “AGM”** the annual general meeting of the Company;
- “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;
- “Average Closing Price”** has the meaning ascribed to it in paragraph 3.4 of Appendix II to this Circular;
- “Bermuda Companies Act”** the Companies Act 1981 of Bermuda, as amended, supplemented or modified from time to time;
- “Board”** the board of Directors;

DEFINITIONS

“Books Closure Date”	the date and time (expected to be at 5:00 p.m. on Friday, August 14, 2015), to be determined by the Directors and announced by the Company, on and at which the share transfer books of the Company and the Register of Members will be closed to determine the entitlements of Shareholders to the Consolidated Shares traded on the SGX-ST under the Proposed Share Consolidation;
“Bye-Laws”	the bye-laws of the Company, as amended, supplemented or modified from time to time;
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC;
“CDP”	The Central Depository (Pte) Limited in Singapore;
“Circular”	this circular dated June 30, 2015;
“close associate(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“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 issued Shares are listed and traded on the Main Board of Hong Kong Stock Exchange (Stock Code: 854) and the Main Board of the SGX-ST (Stock Code: W12);
“concert parties”	has the meaning ascribed to it in paragraph 8.2 of Appendix II to this Circular;
“Conditions”	has the meaning ascribed to it in paragraph 2.2 of Appendix III to this Circular;
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$1.00 each in the capital of the Company after completion of the Proposed Share Consolidation;
“control”	the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
“Controlling Shareholder(s)”	has the meaning ascribed to it in the SGX-ST Listing Manual and means 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;

DEFINITIONS

“core connected person(s)”	has the meaning ascribed thereto under the Hong Kong Listing Rules;
“day of the making of the offer”	has the meaning ascribed to it in paragraph 3.4 of Appendix II to this Circular;
“Director(s)”	the director(s) of the Company;
“Effective Trading Date”	the date to be determined by the Directors (expected to be on Monday, August 17, 2015) as being the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will commence trading on the SGX-ST in board lots of 100 Consolidated Shares and, after the Proposed Board Lot Size Change becomes effective, on Hong Kong Stock Exchange in board lots of 1,000 Consolidated Shares;
“EPS”	earnings per Share;
“ESOS II”	the Willas-Array Electronics Employee Share Option Scheme II;
“ESOS II Options”	the options granted under the ESOS II;
“Group”	the Company and its Subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Companies Ordinance”	the Companies Ordinance (Chapter 622 of the laws of Hong Kong), as amended, supplemented and modified from time to time
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on 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;

DEFINITIONS

“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 2015 AGM for details of the Issue Mandate to be proposed for Shareholders’ approval at the 2015 AGM;
“Latest Practicable Date”	June 19, 2015, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein;
“Listing Committee”	the listing committee of Hong Kong Stock Exchange;
“Market Day”	a day on which the SGX-ST is open for trading in securities;
“Maximum Price”	has the meaning ascribed to it in paragraph 3.4 of Appendix II to this Circular;
“Memorandum”	the Memorandum of Association of the Company as amended, supplemented or modified from time to time;
“MTP Requirement”	the requirement for the six-month volume weighted average price of the shares of all issuers listed on the Main Board of the SGX-ST to be maintained at a minimum trading price of S\$0.20 per share;
“New Share Certificate(s)”	physical share certificate(s) in respect of the Consolidated Shares;
“NTA”	net tangible assets;
“Off-Market Purchase”	has the meaning ascribed to it in paragraph 3.3 of Appendix II to this Circular;
“Old Share Certificate(s)”	physical share certificate(s) in respect of the Shares;
“On-Market Purchase”	has the meaning ascribed to it in paragraph 3.3 of Appendix II to this Circular;
“Proposed Board Lot Size Change”	the proposed change of board lot size for Shares quoted and traded on Hong Kong Stock Exchange from 5,000 Shares to 1,000 Consolidated Shares upon the Proposed Share Consolidation becoming effective;

DEFINITIONS

“Proposed Share Consolidation”	the proposed consolidation of every five (5) issued and unissued Shares (including treasury shares, if any) into one (1) Consolidated Share, fractional entitlements to be disregarded;
“Register of Members”	the principal register of members of the Company maintained pursuant to the Bermuda Companies Act;
“related expenses”	has the meaning ascribed to it in paragraph 3.4 of Appendix II to this Circular;
“Relevant Period”	the period commencing from the 2014 AGM (being the date of the AGM immediately prior to the 2015 AGM) and expiring on the date on which the next AGM (immediately following the 2015 AGM) is held or is required by law or by the Bye-Laws to be held, whichever is earlier;
“Retiring Directors”	Messrs. Jovenal R. Santiago, Kwok Chan Cheung and Leung Hon Shing, who, being the Directors retiring at the 2015 AGM and, being eligible, are offering themselves for re-election at the 2015 AGM, in accordance with the Bye-Laws;
“Securities Account”	a securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a depository agent);
“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 par value 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 Hong Kong Stock Exchange in accordance with the limits set out in the relevant Shareholders’ resolution approving such mandate. Please refer to Appendix II to this Circular for details of the Share Buyback Mandate to be proposed for Shareholders’ approval at the 2015 AGM;
“Shareholder(s)”	holders 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;

DEFINITIONS

“Singapore Share Transfer Agent”	the Company’s share transfer agent in Singapore, Intertrust Singapore Corporate Services Pte. Ltd.;
“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);
“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

The terms “Depositor”, “Depository Register” and “depository agent” shall have the meaning ascribed to them respectively in Section 130A of the Singapore Companies Act in force as at the Latest Practicable Date.

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 genders 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 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 and Hong Kong time.

LETTER FROM THE BOARD



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 (*Deputy Chairman*)
Hon Kar Chun (*Managing Director*)
Leung Hon Shing

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

June 30, 2015

To the Shareholders

Dear Sir and Madam

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

- (A) RE-ELECTION OF RETIRING DIRECTORS;**
- (B) GENERAL MANDATE TO ISSUE SHARES;**
- (C) RENEWAL OF SHARE BUYBACK MANDATE; AND**
- (D) PROPOSED SHARE CONSOLIDATION**

INTRODUCTION

The Company will propose, at the 2015 AGM, resolutions in relation to, among other matters, (i) the re-election of the Retiring Directors; (ii) the grant to the Directors of the Issue Mandate upon the expiry of the current Issue Mandate which was approved by Shareholders at the 2014 AGM; (iii) the renewal of the Share Buyback Mandate upon the expiry of the existing Share Buyback Mandate which was approved by Shareholders at the 2014 AGM; and (iv) the Proposed Share Consolidation.

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 2015 AGM.

The Notice of the 2015 AGM at which the resolutions will be proposed for Shareholders to consider and, if thought fit, approve, is also set out on pages 44 to 52 of this Circular.

PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-Law 104, Mr. Jovenal R. Santiago, an Independent Non-executive Director (“INED”) and Mr. Kwok Chan Cheung, an Executive Director will retire by rotation at the 2015 AGM and being eligible, will offer themselves for re-election at the 2015 AGM.

In accordance with Bye-Law 107(A), Mr. Leung Hon Shing, who became an Executive Director immediately after the conclusion of the 2014 AGM, shall hold office until the forthcoming 2015 AGM and being eligible, will offer himself for re-election thereat.

Mr. Jovenal R. Santiago has served on the Board for more than 9 years but he has never held any executive or management position in the Group nor has he throughout such period been under the employment of any member of the Group. The Directors noted the positive contribution of Mr. Santiago to the development of the Company’s strategy and policies through independent, constructive and informed contribution supported by his skills, expertise and qualifications and from his active participations at the Board and general meetings of the Company. Further, he has given the annual written confirmation of his independence pursuant to Rule 3.13 of the Hong Kong Listing Rules to the Company and the nomination committee of the Company (the “**Nomination Committee**”) has assessed and is satisfied with Mr. Santiago’s independence. Hence, the Board believes that the long service of Mr. Santiago would not affect his exercise of independent judgments and therefore considers Mr. Santiago to be independent.

In addition, with the nomination of the Nomination Committee, the Board has recommended that all the Retiring Directors, namely Messrs. Jovenal R. Santiago, Kwok Chan Cheung and Leung Hon Shing stand for re-election as Directors at the 2015 AGM. As a good corporate governance practice, each of the above Retiring Directors abstained from voting at the relevant Board Meeting on the respective propositions of their recommendations for re-election by the Shareholders.

The biographical information on each of Mr. Jovenal R. Santiago, Mr. Kwok Chan Cheung 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 GRANT OF GENERAL MANDATE TO ISSUE SHARES

At the 2014 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 2015 AGM.

LETTER FROM THE BOARD

At the 2015 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 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 10% of the total number of Shares in issue (excluding any treasury shares) as at the date of passing the resolution approving the Issue Mandate. The Issue Mandate will provide flexibility to the Company to raise funds through the issue of Shares efficiently.

Based on 376,744,800 Shares in issue at the Latest Practicable Date and assuming that no further Shares will be issued or no Shares will be purchased or acquired and cancelled by the Company after the Latest Practicable Date and up to the date of the 2015 AGM, if the Issue Mandate is exercised in full, it will result in the Directors being authorised to issue, allot and deal with a maximum of 37,674,480 Shares.

The new Issue Mandate will, if granted, remain in effect until the earliest of (i) the conclusion of the next AGM; (ii) the expiration of the period within which the next AGM is required by the laws or regulations of Bermuda or the Bye-laws to be held; and (iii) the date on which the authority set out in the resolution approving the Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

At the 2014 AGM, 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 2015 AGM.

The Company therefore proposes to renew the Share Buyback Mandate at the 2015 AGM. At the 2015 AGM, an ordinary resolution will 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 10% of the total number of the issued Shares as at the date of the 2015 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 the issued Shares shall be taken to be the total number of the issued Shares as altered by the capital reduction. 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.

An explanatory statement as required under 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 II to this Circular.

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

Pursuant to Bye-Law 62(A)(ii) of the Bye-Laws, the Company is seeking the approval of Shareholders at the 2015 AGM to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every five (5) existing issued and unissued Shares into one (1) Consolidated Share, fractional entitlements to be disregarded.

The Proposed Share Consolidation will take effect on the Effective Trading Date. The Company will announce the Effective Trading Date at an appropriate time.

Further details on the Proposed Share Consolidation are set out in Appendix III to this Circular.

ANNUAL GENERAL MEETING

The notice convening the 2015 AGM, which contains, among other things, the ordinary resolutions relating to the re-election of the Retiring Directors, the grant of the Issue Mandate, the proposed renewal of the Share Buyback Mandate and the Proposed Share Consolidation is set out on pages 44 to 52 of this Circular.

A form of proxy for use in connection with the 2015 AGM is enclosed. If you are unable to attend the 2015 AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to (i) the Singapore Share Transfer Agent, Intertrust Singapore Corporate Services Pte. Ltd at 3 Anson Road, #27-01 Springleaf Tower, Singapore 079909 (for Shareholders in Singapore) 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 (for Shareholders in Hong Kong) as soon as possible but in any event no later than 48 hours before the time fixed for holding the 2015 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 2015 AGM if you so wish. Any appointment of proxy shall be deemed to be revoked should you attend the 2015 AGM or any adjournment thereof in person.

Pursuant to Bye-Law 73 of the Bye-Laws, 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 2015 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 Rule 13.39(5) of the Hong Kong Listing Rules.

LETTER FROM THE BOARD

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 2015 AGM, assuming their interests do not change between the Latest Practicable Date and the date of the 2015 AGM), as well as following the exercise of the Share Buyback Mandate, assuming that (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 or the exercise of the ESOS II Options, are as set out below:

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	(%) ⁽¹⁾	(%) ⁽²⁾
Directors					
Leung Chun Wah ⁽³⁾	–	94,158,854	94,158,854	24.99	27.77
Kwok Chan Cheung ⁽⁴⁾	–	39,477,771	39,477,771	10.48	11.64
Hon Kar Chun	1,464,000	–	1,464,000	0.39	0.43
Leung Hon Shing	1,249,200	–	1,249,200	0.33	0.37
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	10.48	11.64
Max Power Assets Limited ⁽⁵⁾	29,354,100	61,145,054	90,499,154	24.02	26.69
Cheng Wai Yin, Susana ⁽⁶⁾	3,659,700	90,499,154	94,158,854	24.99	27.77
Lee Woon Nin ⁽⁷⁾	–	90,499,154	90,499,154	24.02	26.69
HSBC International Trustee Limited ⁽⁸⁾	–	90,499,154	90,499,154	24.02	26.69
HSBC Private Banking Holdings (Suisse) SA ⁽⁹⁾	–	90,499,154	90,499,154	24.02	26.69
HSBC Finance (Netherlands) BV ⁽⁹⁾	–	90,499,154	90,499,154	24.02	26.69
HSBC Holdings Plc ⁽⁹⁾	–	90,499,154	90,499,154	24.02	26.69
Hung Yuk Choy	25,801,194	–	25,801,194	6.85	7.61
Yeo Seng Chong ⁽¹⁰⁾	1,300,000	20,840,020	22,140,020	5.88	6.53
Lim Mee Hwa ⁽¹⁰⁾	1,300,000	20,840,020	22,140,020	5.88	6.53
Yeoman Capital Management Pte Ltd ⁽¹¹⁾	225,000	19,315,020	19,540,020	5.19	5.76
Yeoman 3-Rights Value Asia Fund ⁽¹²⁾	19,000,020	–	19,000,020	5.04	5.60

LETTER FROM THE BOARD

Notes:

- (1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, being 376,744,800 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 339,070,320 Shares (assuming that the Company purchases and cancels the maximum number of 37,674,480 Shares under the Share Buyback Mandate).
- (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.
- (11) YCMPL owns Shares directly in its own name and also controls its deemed interests through its clients’ direct shareholdings in the Company. The clients of YCMPL are Yeoman 3-Rights Value Asia Fund and Yeoman Client 1.
- (12) Yeoman 3-Rights Value Asia Fund owns Shares directly in its own name.

DIRECTORS’ RECOMMENDATIONS

Save for each of Messrs. Jovenal R. Santiago, Kwok Chan Cheung and Leung Hon Shing who abstains from making a recommendation on respective ordinary resolutions 4 to 6 relating to his own re-election, the Board considers that the above proposals relating to the re-election of the Retiring Directors, the granting of the Issue Mandate, the renewal of the Share Buyback Mandate and the Proposed Share Consolidation are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders should vote in favour of each of the ordinary resolutions relating to the aforesaid matters to be proposed at the 2015 AGM.

LETTER FROM THE BOARD

DIRECTORS' RESPONSIBILITY STATEMENT

This document, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

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 re-election of Messrs. Jovenal R. Santiago, Kwok Chan Cheung and Leung Hon Shing as Directors, the grant of the Issue Mandate, the proposed renewal of the Share Buyback Mandate and the Proposed Share Consolidation, 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. 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 Company's principal place of business in Hong Kong at 24/F, Wyler Centre, Phase 2, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong and at the office of the 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 2015 AGM:

- (a) the Memorandum and Bye-Laws of the Company; and
- (b) the annual report of the Company for the financial year ended March 31, 2015.

Yours faithfully

For and on behalf of

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

Leung Chun Wah

Chairman and Executive Director

The following is the information, as at the Latest Practicable Date, required to be disclosed under the Hong Kong Listing Rules, on the Retiring Directors proposed to be re-elected at the 2015 AGM.

Save as disclosed below, there are no other matters concerning each of the Retiring Directors that are required to be brought to the attention of the Shareholders, nor is there any other information that is required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Hong Kong Listing Rules.

Jovenal R. Santiago

Mr. Santiago, aged 77, was appointed as an Independent Non-executive Director on June 14, 2001. He is also the chairman of audit committee and a member of each of the remuneration committee, Nomination Committee and compliance committee of the Company. He obtained a bachelor of science in commerce degree from the University of Santo Tomas, the Philippines in 1957 and a master's degree in business administration from the New York University, USA in 1969. Mr. Santiago is a Certified Public Accountant (Philippines) and has many years of experience in the accounting and auditing profession before his retirement in 1998. From 1971 to 1998, he was an audit principal of an international accounting firm in Singapore. He is also an independent director of Cosmosteel Holdings Limited, a company listed on the SGX-ST.

There is a letter of appointment between the Company and Mr. Santiago for his appointment as Director of the Company and he is subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws. He is entitled to a director's fee which is reviewed annually by the Board and the Remuneration Committee of the Board by reference to his duties and responsibilities with the Company. Mr. Santiago's remuneration for the year ended March 31, 2015 was approximately HK\$369,000.

As at the Latest Practicable Date, Mr. Santiago did not hold any Shares.

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

- (a) did not hold any other directorship in public-listed companies in the last three years;
- (b) did not have any other interest in any shares, underlying shares or debentures in the Company or any associated corporations 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.

Kwok Chan Cheung

Mr. Kwok, aged 67, is the deputy chairman and Executive Director of the Group. He is also a director of various subsidiaries of the Group. Mr. Kwok established Array Electronics Limited (now known as Willas-Array Electronics (Hong Kong) Limited) (a subsidiary of the Group) in 1982. He was appointed as an Executive Director and deputy chairman and managing director on January 1, 2001 and ceased to be the managing director but remained as the deputy chairman and Executive Director with effect from July 31, 2014. He is responsible for overseeing the sales and marketing activities and determining the sales and marketing strategy of the Group.

There is a service agreement between the Company and Mr. Kwok for his appointment as the Deputy Chairman and a Director of the Company, for a term of two years expiring on December 31, 2016, subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws. He is entitled to a basic annual salary of HK\$2,184,000 per annum plus a one-time bonus, which are reviewed annually by the Board and the Remuneration Committee of the Board by reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. Mr. Kwok's remuneration for the year ended March 31, 2015 was approximately HK\$2,935,000.

As at the Latest Practicable Date, as Global Success International Limited, a substantial shareholder of the Company and a company wholly-owned by Mr. Kwok, he was deemed to be interested in 39,477,771 Shares held by Global Success International Limited, representing approximately 10.48% of the issued share capital of the Company.

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

- (a) did not hold any other directorship in public-listed companies in the last three years;
- (b) did not have any other interest in any shares, underlying shares or debenture of the Company or any of its associated corporations 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.

Leung Hon Shing

Mr. Leung, aged 50, was appointed as an Executive Director on July 31, 2014. He is also the chief financial officer and company secretary of the Company, responsible for financial management and company secretarial matters of the Group. He is also a director of various subsidiaries of the Company. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants in England, and an associate member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in England. He obtained a professional diploma in company secretaryship and administration from Hong Kong Polytechnic University in 1988. Mr. Leung joined the Group in 2002 as a financial controller and was appointed as the company secretary of the Company on March 28, 2006. He then became the chief financial officer in April 2014. Prior to joining the Group, he worked in a subsidiary of a publicly-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, for a period from July 31, 2014 to March 31, 2016, subject to re-election at the AGM in accordance with the Bye-laws. He is entitled to a basic salary of HK\$1,469,000 for the year ending March 31, 2016, 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 by reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. For the year ended March 31, 2015, Mr. Leung's remuneration was approximately HK\$1,057,000.

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 public-listed companies in the last three years;
- (b) did not have any other interest in any shares, underlying shares or debentures of the Company or any of its associated corporations 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.

1. Renewal of the Share Buyback Mandate

As a Bermuda-incorporated company which is listed on the Main Board of the SGX-ST and 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 Hong Kong 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 2015 AGM as ordinary resolution 9.

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 II 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, among other matters, the net assets and/or EPS of the Group. A share purchase is one of the ways in which the net assets and/or EPS of the Group may be enhanced;
- (b) share purchases 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; and
- (c) share purchases may help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

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 as a whole and in circumstances which they believe will not result in any material adverse effect on the financial condition of the Company or the Group, or result in the Company being delisted from the SGX-ST or in breach of the 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 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 10% of the total number of issued Shares of the Company as at the date of the 2015 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. 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 376,744,800 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued and no Shares will be purchased or acquired and cancelled by the Company, on or prior to the 2015 AGM, not more than 37,674,480 Shares (representing 10% of the total number of issued Shares as at that date, and assuming that this number does not exceed 10% of the issued Share capital) 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.

3.2 *Duration of Authority*

If the proposed Share Buyback Mandate is approved by the Shareholders at the 2015 AGM, purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2015 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 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 Hong Kong Stock Exchange (as the case may be); and/or
- (b) off-market purchases (“**Off-Market Purchases**”) effected otherwise 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 applicable to the Company, 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, 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.

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.

In Hong Kong, companies with a primary listing of its equity securities in Hong Kong may only engage an off-market share purchase 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 purchasing company acquires any shares pursuant to such purchase or acquisitions of Shares. Such approval will normally be conditional upon, amongst others, approval of the proposed off-market purchase by at least three-fourths of the votes cast on a poll by disinterested shareholders in attendance in person/by a duly authorised representative or by proxy at a general meeting of shareholders duly convened and held to consider the proposed transaction. The purchasing 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 that 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 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 Hong Kong Stock Exchange, the relevant closing market prices shall be taken from both the SGX-ST and 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

Shares 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 par value of the Shares purchased 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 purchased 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 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 Hong Kong Stock Exchange or otherwise, the listed issuer shall:

- (i) submit for publication to 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 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 Hong Kong Stock Exchange were made in accordance with the Hong Kong Listing Rules and

if the issuer's primary listing is on 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 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 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 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 Hong Kong Stock Exchange such information with respect to purchases or acquisitions made on behalf of the issuer as 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 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 purchased 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 purchased. The funds for making any proposed purchase or acquisition shall be from funds legally available for such purpose in accordance with the Bye-Laws and the laws of Bermuda.

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 Hong Kong Stock Exchange (as the case may be) from time to time.

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, 2015. The Directors are mindful of this 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, among other things, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares and 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 number and the par value of the Shares purchased 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.

For illustrative purposes only, assuming that:

- (a) based on 376,744,800 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued and no Shares will be purchased or acquired and cancelled on or prior to the 2015 AGM, not more than 37,674,480 Shares (representing 10% of the total number of issued Shares as at that date (the Company does not have any treasury shares)), 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 37,674,480 Shares at the Maximum Price of approximately S\$0.222 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 and Hong Kong Stock Exchange immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 37,674,480 Shares (excluding related expenses) is approximately S\$8.4 million (approximately HK\$48.7 million assuming an exchange rate of S\$1:HK\$5.8180);

- (c) in the case of Off-Market Purchases by the Company, the Company purchases or acquires the 37,674,480 Shares at the Maximum Price of S\$0.254 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 and Hong Kong Stock Exchange immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 37,674,480 Shares (excluding related expenses) is approximately S\$9.6 million (approximately HK\$55.6 million assuming an exchange rate of S\$1:HK\$5.8180);
- (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, 2014; and
- (f) the Company had purchased or acquired 37,674,480 Shares and cancelled the same,

the financial effects of the purchase or acquisition of 37,674,480 Shares by the Company on the audited consolidated financial statements of the Company and the Group for the financial year ended March 31, 2015 pursuant to the Share Buyback Mandate are as follows:

Figure A1: Purchases made out of capital and cancelled

	Group Immediately after Share Buyback assuming On-Market Purchase (HK\$'000)	Group Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)	Company Immediately after Share Buyback assuming On-Market Purchase (HK\$'000)	Company Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)	Company Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)
As at March 31, 2015					
Share capital	75,349	67,814	67,814	75,349	67,814
Shareholders' funds	662,167	613,510	606,559	325,275	276,618
NTA	662,167	613,510	606,559	325,275	276,618
Current assets	1,406,328	1,357,671	1,350,720	162,424	113,767
Current liabilities	1,082,318	1,082,318	1,082,318	11,109	11,109
Working capital	324,010	275,353	268,402	151,315	102,658
Cash and cash equivalents	308,471	259,814	252,863	3,367	3,367
Profit after tax and non-controlling interest	31,957	31,957	31,957	39,184	39,184
Number of issued Shares *	376,744,800	339,070,320	339,070,320	376,744,800	339,070,320
Financial ratios					
NTA/Share (HK cents)	175.76	180.94	178.89	86.34	81.58
EPS (HK cents)	8.48	9.42	9.42	10.40	11.56
Current ratio (times)	1.30	1.25	1.25	14.62	10.24
Return on equity (%)	4.83	5.21	5.27	12.05	14.17

Figure A2: Purchases made out of profit and cancelled

	Group Immediately after Share Buyback assuming On-Market Purchase (HK\$'000)	Group Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)	Group Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)	Company Immediately after Share Buyback assuming On-Market Purchase (HK\$'000)	Company Immediately after Share Buyback assuming Off-Market Purchase (HK\$'000)
As at March 31, 2015					
Share capital	75,349	75,349	75,349	75,349	75,349
Shareholders' funds	662,167	613,510	606,559	325,275	276,618
NTA	662,167	613,510	606,559	325,275	276,618
Current assets	1,406,328	1,357,671	1,350,720	162,424	113,767
Current liabilities	1,082,318	1,082,318	1,082,318	11,109	11,109
Working capital	324,010	275,353	268,402	151,315	102,658
Cash and cash equivalents	308,471	259,814	252,863	3,367	3,367
Profit after tax and non-controlling interest	31,957	31,957	31,957	39,184	39,184
Number of issued Shares *	376,744,800	339,070,320	339,070,320	376,744,800	339,070,320
Financial ratios					
NTA/Share (HK cents)	175.76	180.94	178.89	86.34	81.58
EPS (HK cents)	8.48	9.42	9.42	10.40	11.56
Current ratio (times)	1.30	1.25	1.25	14.62	10.24
Return on equity (%)	4.83	5.21	5.27	12.05	14.17

Note on Figures A1 and A2:

* As the number of issued Shares as at the Latest Practicable Date is 376,744,800, the above illustrative financial effects were prepared on the assumption that the number of issued Shares (a) immediately prior to the Share Buyback was 376,744,800, and (b) immediately after the Share Buyback was 339,070,320.

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 for holding, acquisition, disposal or other dealing in the Shares in their respective jurisdictions should consult their own professional advisers.

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 (1) month preceding the earlier of:

- (a) the date of the board meeting (as such date is first notified to 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),

and ending on the date of the results announcement, the Company will not purchase its shares on Hong Kong Stock Exchange.

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 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 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 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 issued Shares are in the hands of the “public”. Hong Kong Stock Exchange will not regard any core connected person of the Company as a member of the “public” or shares held by a core connected person as being “in public hands”. In addition, Hong Kong Stock Exchange will not recognise as a member of “the public”: (i) any person whose acquisition of securities has been financed directly or indirectly by a core connected person; and (ii) any person who is accustomed to take instructions from a core 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. “Core 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 a close 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 192,453,761 Shares, representing approximately 51.08% 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 154,779,281 Shares, representing approximately 45.65% 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 Hong Kong Stock Exchange, and that the number of issued 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 Hong Kong Stock Exchange, cause market illiquidity or adversely affect the orderly trading of the Shares.

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 who, or companies which, 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;

- (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, the Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Singapore Take-over Code 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 of the Singapore Take-over Code 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 would become 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 (2) 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 (2) 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 purchase of securities by the Company pursuant to the Share Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, 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, depending on the level of increase in the interest of the Company, 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 24.02% of the issued ordinary share capital of the Company. In the event that the Directors exercise in full the power to purchase Shares which is proposed to be granted pursuant to the relevant ordinary resolution 9 of the 2015 AGM, then (if the present shareholdings otherwise remained the same) the interests of Max Power Assets Limited would increase from approximately 24.02% to approximately 26.69% 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.

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.

**APPENDIX II 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 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 Hong Kong Stock Exchange respectively during each of the months starting from June 2014 up to June 2015 (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\$)
2014				
June	0.165	0.160	1.00	0.95
July	0.167	0.163	0.99	0.93
August	0.167	0.151	1.03	0.90
September	0.160	0.150	0.95	0.88
October	0.158	0.144	0.90	0.88
November	0.160	0.149	0.99	0.84
December	0.153	0.150	1.03	0.75
2015				
January	0.155	0.150	0.99	0.81
February	0.152	0.151	0.85	0.81
March	0.155	0.151	0.81	0.81
April	0.198	0.151	2.10	0.74
May	0.215	0.172	1.83	1.15
June (up to and including the Latest Practicable Date)	0.205	0.190	1.51	1.13

11. Directors, their undertakings and close associates and core connected persons

The Directors have undertaken to 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 close 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 2015 AGM.

No core connected person of the Company has notified the Company that he 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 to the Company, in the event that the Share Buyback Mandate is approved by the Shareholders at the 2015 AGM.

1. Proposed Share Consolidation

Pursuant to Bye-Law 62(A)(ii) of the Bye-Laws, the Company is seeking the approval of Shareholders at the 2015 AGM to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every five (5) existing issued and unissued Shares into one (1) Consolidated Share, fractional entitlements to be disregarded.

Accordingly, under the Proposed Share Consolidation, every five (5) Shares registered in the name of each Shareholder (not being a Depositor) or standing to the credit of the Securities Account of each Depositor, as at the Books Closure Date will be consolidated to constitute one (1) Consolidated Share, fractional entitlements to be disregarded.

The Proposed Share Consolidation, if approved, will take effect on the Effective Trading Date. The Company will announce the Effective Trading Date at an appropriate time.

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.

Each Consolidated Share will rank *pari passu* in all respects with each other in accordance with the Memorandum and the Bye-Laws 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 Hong Kong Stock Exchange in board lots of 1,000 Consolidated Shares.

As at the Latest Practicable Date, 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 and no Shares will be purchased or acquired and cancelled by the Company from the Latest Practicable Date 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.

The current authorised share capital of the Company of HK\$120,000,000 divided into 600,000,000 issued and unissued Shares will be restructured to HK\$120,000,000 divided into 120,000,000 Consolidated Shares following the implementation of the Proposed Share Consolidation.

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 not have any 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.

2. Details of the Proposed Share Consolidation

2.1 Rationale for the Proposed Share Consolidation and the Proposed Board Lot Size Change

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 of shares on the SGX-ST be maintained at a minimum trading price of S\$0.20 per share. 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. Issuers that fail to fulfil the MTP Requirement at the first review date on March 1, 2016 or any of the subsequent quarterly reviews will be placed on the Watch-list. The assessment of whether an issuer has met the MTP Requirement will be based on the volume weighted average price of the issuer's shares traded on the SGX-ST for the six months preceding the date of review. Issuers placed on the Watch-list on or after March 1, 2016 will have a 36-month period to exit from the Watch-list. Issuers who fail to exit from the Watch-list will be subject to delisting in accordance with the SGX-ST Listing Manual.

The highest and lowest closing market prices and the transacted volume of the Shares traded on the SGX-ST for each of the past six calendar months, from December 2014 to May 2015 and from June 1, 2015 to June 19, 2015, being the Latest Practicable Date, are as follows:

	Highest Price (S\$)	Lowest Price (S\$)	Volume of traded Shares ('000)
December 2014	0.153	0.150	208.0
January 2015	0.155	0.150	573.2
February 2015	0.152	0.151	114.0
March 2015	0.155	0.151	675.7
April 2015	0.198	0.151	3,824.6
May 2015	0.215	0.172	13,303.9
June 2015 (up to and including the Latest Practicable Date)	0.205	0.190	8,635.4

The volume weighted average price of the Shares traded on the SGX-ST for the six calendar months prior to the Latest Practicable Date was S\$0.189, which is below the MTP Requirement of S\$0.20.

The theoretical adjusted six-month volume weighted average price of the Consolidated Shares is S\$0.947.

In light of the above, 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 March 2016.

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.

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 Hong Kong Stock Exchange in a more reasonable board lot size and value, thereby improving the trading liquidity of the Consolidated Shares on Hong Kong Stock Exchange.

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

2.2 *Conditions for the Proposed Share Consolidation*

The Proposed Share Consolidation is 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 for the listing of, and the permission to deal in, the Consolidated Shares on Hong Kong Stock Exchange;
- (c) compliance with the relevant procedures and requirements under Bermuda law (where applicable) and Hong Kong Listing Rules to effect the Proposed Share Consolidation; and
- (d) the passing of the ordinary resolution relating to the Proposed Share Consolidation at the 2015 AGM.

On June 22, 2015, the Company announced that it had obtained in-principle approval from the SGX-ST for the dealing in, listing of and quotation for all the Consolidated Shares on the SGX-ST subject to, among others, Shareholders' approval for the Proposed Share Consolidation at the 2015 AGM. Shareholders should note that the in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company and/or its Subsidiaries.

2.3 *Procedures and Trading Arrangements for Shareholders whose Shares are Quoted on the SGX-ST*

2.3.1 Updating of Register of Members and Depository Register

If Shareholders approve the Proposed Share Consolidation at the 2015 AGM, Shareholders' entitlements to the Consolidated Shares will be determined on the Books Closure Date. Thereafter, the Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders. The Consolidated Shares will begin trading in board lots of 100 Consolidated Shares on the SGX-ST on the Effective Trading Date.

2.3.2 Deposit of Old Share Certificates with CDP

Shareholders who hold the Old Share Certificates in their own names and wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP must deposit their Old Share Certificates with CDP, together with duly executed instruments of transfer in favour of CDP, no later than 12 Market Days prior to the Books Closure Date. After the Books Closure Date, CDP will not accept any Old Share Certificates for deposit.

After the Books Closure Date, CDP will only accept the deposit of New Share Certificates and Shareholders who wish to deposit their Old Share Certificates with CDP must first deliver their Old Share Certificates to the Singapore Share Transfer Agent, Intertrust Singapore Corporate Services Pte. Ltd. at 3 Anson Road, #27-01 Springleaf Tower, Singapore 079909, for cancellation and issuance of New Share Certificates in replacement thereof as described below.

2.3.3 Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least 12 Market Days prior to the Books Closure Date need not take any further action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates with CDP as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Singapore Share Transfer Agent during normal business hours (9:00 a.m. to 5:00 p.m., Mondays to Fridays) and preferably, not later than five (5) Market Days after the Books Closure Date for cancellation and exchange for New Share Certificates. No receipt will be issued by the Singapore Share Transfer Agent for the receipt of any Old Share Certificates.

The New Share Certificates will be sent by ordinary mail to the registered addresses of the relevant Shareholders at their own risk within 10 Market Days from the SGX-ST Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders shall deliver their respective Old Share Certificates to the Singapore Share Transfer Agent in accordance with the provisions set out above, only after the Company's announcement of the Books Closure Date.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been tendered to the Singapore Share Transfer Agent for cancellation.

Shareholders should notify the Singapore Share Transfer Agent if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from that reflected in the Register of Members.

2.3.4 Old Share Certificates Not Valid for Settlement of Trades on the SGX-ST

Shareholders who hold Old Share Certificates are reminded that their Old Share Certificates are not valid for settlement of trading in the Consolidated Shares on the SGX-ST (as the Shares are traded under a book-entry (scripless) settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Singapore Share Transfer Agent. The New Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be prima facie evidence of legal title to the Consolidated Shares.

2.3.5 Trading Arrangements for the Consolidated Shares

If Shareholders approve the Proposed Share Consolidation at the 2015 AGM, with effect from 9:00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of 100 Consolidated Shares on the SGX-ST. Accordingly, five (5) Shares as at 5:00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9:00 a.m. on the Effective Trading Date. Trading in the Shares will cease after 5:00 p.m. on the Market Day immediately preceding the Effective Trading Date.

2.3.6 Trading Arrangements for Odd Lots

All fractional entitlements arising upon the implementation of the Proposed Share Consolidation will be disregarded and dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Shares are currently traded in board lots of 100 Shares on the SGX-ST. Following the implementation of the Proposed Share Consolidation, the Securities Accounts of Depositors maintained with CDP may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares).

Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and wish to trade in such odd lots on the SGX-ST can trade with a minimum size of one (1) Consolidated Share on the SGX-ST's unit share market. The unit share market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying shares. The market for trading of such odd lots of Consolidated Shares may be illiquid and at a discount.

2.4 *Procedures and Trading Arrangements for Shareholders whose Shares are Traded on Hong Kong Stock Exchange*

2.4.1 Application for Listing of the Consolidated Shares

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares on Hong Kong Stock Exchange upon the Proposed Share Consolidation becoming effective.

2.4.2 Dealings of the Consolidated Shares

The Consolidated Shares will be identical in all respects and rank *pari passu* in all respects with each other in accordance with the Memorandum and Bye-Laws and the Proposed Share Consolidation will not result in any change in the relative rights of the Shareholders.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on Hong Kong Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on Hong Kong Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of Hong Kong Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

No part of the securities of the Company is listed or dealt in on which listing or permission to deal in is being or is proposed to be sought on any stock exchanges other than Hong Kong Stock Exchange and the SGX-ST.

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Proposed Share Consolidation, the implementation will not alter the underlying assets, business operations, management or financial position of the Group or the shareholdings, rights and interests of the Shareholders.

2.4.3 Exchange for Share Certificates

Subject to the Proposed Share Consolidation becoming effective, which is expected to be on Monday, August 17, 2015, Shareholders may, during a period between Monday, August 17, 2015 and Tuesday, September 22, 2015, submit the Old Share Certificates, in light green, to 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, to exchange, at the expense of the Company, for the New Share Certificates, which will be light blue in colour.

Thereafter, the Old Share Certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be from time to time be specified by Hong Kong Stock Exchange) for each New Share Certificate to be issued or each Old Share Certificate cancelled, whichever the number of New Share Certificate or Old Share Certificate issued or cancelled is higher.

The Old Share Certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on September 18, 2015 and thereafter will not be accepted for delivery, trading and settlement purposes.

Nevertheless, the Old Share Certificates will continue to be good evidence of legal title and may be exchanged for the New Share Certificates at any time but will not be accepted for trading, settlement and registration upon completion of the Proposed Share Consolidation.

2.4.4 Proposed Board Lot Size Change

As at the Latest Practicable Date, the Shares are traded on Hong Kong Stock Exchange in board lot size of 5,000 Shares. The Company proposes to change the board lot size for Shares listed and traded on Hong Kong Stock Exchange from 5,000 Shares to 1,000 Consolidated Shares upon the Proposed Share Consolidation becoming effective. For the avoidance of doubt, in the event that the ordinary resolution relating to the Proposed Share Consolidation is not passed at the 2015 AGM, the Company will not proceed with the Proposed Board Lot Size Change.

Based on Hong Kong Stock Exchange's closing price of HK\$1.24 per Share (equivalent to HK\$6.20 per Consolidated Share) as at the Latest Practicable Date and the existing board lot size of 5,000 Shares, the prevailing board lot value is HK\$6,200. 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\$6,200.

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

2.4.5 Fractional Entitlement to Consolidated Shares

Fractional entitlements will be disregarded and no fractional entitlements will be issued to the Shareholders. All such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company or purchased by the Company, at the discretion of the Board. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Consolidated Shares regardless of the number of Existing Share Certificates held by such holder.

2.4.6 Arrangement of Odd Lot Trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Proposed Share Consolidation and the Proposed Board Lot Size Change, the Company will appoint a designated broker to provide matching services for sale and purchase of odd lots of the Consolidated Shares at the relevant market price per Consolidated Share for Shareholders, on a best effort basis, during the period from 9:00 a.m. on Monday, August 31, 2015 to 4:00 p.m. on Friday, September 18, 2015 (both days inclusive). Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares may contact Mr. Huton Lee at (852) 2532-3939 and/or Mr. Eddy Lam at (852) 2532-3938 of Ping An Securities Limited at Unit 02, 2/F, China Merchants Building, 152-155 Connaught Road Central, Hong Kong during office hours in the aforesaid period.

Shareholders should note that the successful matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed. Any Shareholder who is in doubt about the odd lot trading arrangement is recommended to consult his/her own professional advisers. Shareholders may refer to the section headed “Indicative Timetable” of this Circular for the period during which the Company will provide matching service for the sale and purchase of the odd lots of the Consolidated Shares.

3. Financial Effects of the Proposed Share Consolidation

For illustrative purposes only and based on the latest audited consolidated financial statements of the Group for the financial year ended 31 March 2015, the financial effects of the Proposed Share Consolidation on the Company and the Group are set out below. The financial effects of the Proposed Share Consolidation have been prepared based on the following assumptions:

- (a) the computation does not take into account any expenses that may be incurred in relation to the Proposed Share Consolidation;

- (b) for the purposes of illustrating the financial effects of the Proposed Share Consolidation on share capital, gearing and NTA per Share, it is assumed that the Proposed Share Consolidation had been completed on 31 March 2015;
- (c) for the purposes of illustrating the financial effects of the Proposed Share Consolidation on the EPS of the Group, it is assumed that the Proposed Share Consolidation had been completed on 1 April 2014;
- (d) the NTA per Share is computed based on the 376,744,800 Shares in issue (the Company does not have treasury shares) as at 31 March 2015 and the EPS of the Group is computed based on the weighted average of 375,821,109 Shares in issue as at 31 March 2015;
- (e) the financial effects of the Proposed Share Consolidation are purely for illustrative purposes only and are neither indicative of the actual financial effects of the Proposed Share Consolidation on share capital, NTA per Share, EPS and gearing, nor do they represent the future financial performance and/or position of the Company and the Group immediately after the completion of the Proposed Share Consolidation; and
- (f) there will be no fractions of Consolidated Shares arising from the Proposed Share Consolidation.

3.1 *Share Capital*

	Immediately before the Proposed Share Consolidation		Immediately after the Proposed Share Consolidation	
	Number of Shares ⁽¹⁾	HK\$	Number of Shares ⁽¹⁾	HK\$
Issued and paid-up share capital	376,744,800	75,348,960	75,348,960	75,348,960

3.2 *Consolidated NTA Attributable to the Owners of the Company*

	Immediately before the Proposed Share Consolidation	Immediately after the Proposed Share Consolidation
NTA (HK\$'000)	662,167	662,167
Number of Shares ⁽¹⁾	376,744,800	75,348,960
NTA per Share (HK cents)	175.76	878.80

3.3 EPS

	Immediately before the Proposed Share Consolidation	Immediately after the Proposed Share Consolidation
Net profit after tax and non-controlling interests (HK\$'000)	31,957	31,957
Weighted average number of Shares ⁽¹⁾	375,821,109	75,164,222
EPS (HK cents)	8.50	42.52

3.4 Gearing

The Proposed Share Consolidation will not have any effect on the gearing of the Group.

Note:

- (1) This number does not take into account any Shares which may be issued pursuant to the exercise of any ESOS II Options and any purchase or acquisitions of Shares pursuant to the Share Buyback Mandate as at the Latest Practicable Date.

4. Adjustments to the ESOS II Options

The ESOS II expired on June 10, 2011. Notwithstanding the expiry of the ESOS II, the unexercised 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 Latest Practicable Date, the total number of Shares comprised in such unexercised ESOS II Options is 4,968,000 Shares.

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. An announcement on the adjustments made to the unexercised ESOS II Options will be made in due course.

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. Interests in the Proposed Share Consolidation

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Share Consolidation (other than through their respective shareholdings in the Company) and no Director or Substantial Shareholder is required to abstain from voting on ordinary resolution 10 relating to the Proposed Share Consolidation at the 2015 AGM.

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 30, 2015 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, 2015 together with the Independent Auditors’ Report thereon.

[Ordinary Resolution 1]

2. To declare a first and final dividend of HK\$0.06347 per ordinary share for the financial year ended March 31, 2015.

[Ordinary Resolution 2]

3. To approve the proposed Directors’ fees of S\$180,000/- for the financial year ending March 31, 2016. [2015: S\$180,000/-]

[Ordinary Resolution 3]

4. To re-elect Mr. Jovenal R. Santiago (who will retire pursuant to Bye-Law 104 of the Company’s Bye-Laws) as an Independent Non-executive Director of the Company. He has served the Company for more than nine years as an Independent Non-executive Director of the Company.

[Ordinary Resolution 4]

5. To re-elect Mr. Kwok Chan Cheung (who will retire pursuant to Bye-Law 104 of the Company’s Bye-Laws) as an Executive Director of the Company.

[Ordinary Resolution 5]

NOTICE OF ANNUAL GENERAL MEETING

6. To re-elect Mr. Leung Hon Shing (who will retire pursuant to Bye-Law 107(A) of the Company's Bye-Laws) as an Executive Director of the Company.

[Ordinary Resolution 6]

7. To re-appoint Messrs. Deloitte Touche Tohmatsu, Hong Kong as the independent Auditors of the Company and to authorize the Directors of the Company to fix their remuneration.

[Ordinary Resolution 7]

8. To transact any other ordinary business which may properly be transacted at the 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 (the “**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 (the “**HKSE**” and the “**Hong Kong Listing Rules**”, respectively):

- (a) subject to paragraph (c) below and pursuant to the SGX-ST Listing Manual and the Hong Kong Listing Rules, respectively, authority be and is hereby given to the directors of the Company (the “**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 Shares (as defined below) (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 (the “**Instruments**”), including but not limited to, warrants or similar Instruments;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant Instruments during the Relevant Period (as defined below), which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of Shares (including Shares to be issued in pursuance of the 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 in issue (as defined below) (excluding any treasury shares) (as calculated in accordance with paragraph (d) below), of which the aggregate number of Shares (including the Shares to be issued in pursuance of the 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 10% of the total number of Shares in issue (excluding any treasury shares) (as calculated in accordance with paragraph (d) below) as at the date of passing this Resolution provided that if any subsequent consolidation or sub-division of Shares is effected, the maximum number of Shares that may be issued pursuant to the approval in paragraph (a) above as a percentage of the total number of Shares in issue immediately before and after such consolidation or sub-division shall be the same and such maximum number of Shares shall be adjusted accordingly; 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 in issue**” means (subject to such manner of calculation as may be prescribed by the SGX-ST and/or HKSE 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.

NOTICE OF ANNUAL GENERAL MEETING

“**Shares**” means new ordinary shares of par value of HK\$0.20 each in the capital of the Company before the completion of the Proposed Share Consolidation (as defined below) or (subject to approval of Ordinary Resolution 10) ordinary shares of par value of HK\$1.00 each in the capital of the Company after completion of the Proposed Share Consolidation (as defined below).”

[Ordinary Resolution 8]

[See Explanatory Note (i)]

10. Authority to purchase or acquire Shares in the share capital of the Company under the Share Buyback Mandate (as defined in paragraph (a) below):–

“THAT

- (a) pursuant to the Company’s Memorandum of Association and Bye-Laws, and subject to the Companies Act 1981 of Bermuda (the “**Bermuda Companies Act**”), the Directors be and are hereby authorised to exercise all the 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 HKSE, 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 HKSE 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 Main Board rules 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, the Rules Governing the Listing of Securities on HKSE, 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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:

The expressions “Directors”, “Shares”, “SGX-ST”, “HKSE”, “SGX-ST Listing Manual” and “total number of Shares in issue” shall have the same respective meanings as ascribed to them in the ordinary resolution 9 set out in the notice convening this annual general meeting.

“**Maximum Limit**” means that number of issued Shares representing not more than 10% of the total number of Shares 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 the total number of Shares in issue shall be taken to be the total number of issued Shares as altered by the capital reduction. 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 immediately 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,

NOTICE OF ANNUAL GENERAL MEETING

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 an 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 HKSE, the relevant closing market prices shall be taken from both the SGX-ST and HKSE;

“**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 HKSE 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.”

[Ordinary Resolution 9]

[See Explanatory Note (ii)]

11. The Proposed Share Consolidation (as defined in paragraph (a) below):–

“THAT subject to and conditional upon the listing committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, quotation for the Consolidated Shares (as defined below) to be in issue upon the Proposed Share Consolidation (as defined below) becoming effective and the compliance with all relevant procedures and requirements under Bermuda law (where applicable) to effect the Proposed Share Consolidation, approval be and is hereby given for:

- (a) every five (5) existing issued and unissued ordinary shares of par value HK\$0.20 each in the capital of the Company (the “**Shares**”) be consolidated (the “**Proposed Share Consolidation**”) into one (1) consolidated ordinary share of par value HK\$1.00 each in the capital of the Company (the “**Consolidated Share**”), and all of the Consolidated Shares shall rank *pari passu* in all respects with each other in the same class and have the rights and privileges and be subject to the restrictions contained in the memorandum of association and bye-laws of the Company, and the number of Consolidated Shares which each shareholder of the Company (the “**Shareholders**”) is entitled to resulting from the Proposed Share

NOTICE OF ANNUAL GENERAL MEETING

Consolidation, based on their holdings of Shares as at the Books Closure Date (as defined below) to be determined by the directors of the Company (the “**Directors**”), shall be rounded down to the nearest whole Consolidated Share, and all fractional Consolidated Shares resulting from the Proposed Share Consolidation will be disregarded and will not be issued or given to holders of the same but all such fractional Consolidated Shares may, at the discretion of the Directors, be aggregated and, if possible, sold and retained for the benefits of the Company in such manner and on such terms as the Directors may think fit;

- (b) the restructuring of the authorised share capital of the Company from HK\$120,000,000 divided into 600,000,000 Shares to HK\$120,000,000 divided into 120,000,000 Consolidated Shares following the implementation of the Proposed Share Consolidation;
- (c) the Directors to fix the books closure date for the purposes of determining entitlement of Shareholders to the Consolidated Shares in their absolute discretion as they deem fit; and
- (d) the Directors or any one of them to complete and do all such acts and things (including without limitation, to execute all such documents and to approve any amendments, alteration or modification to any documents) as the Directors or any one of them may consider necessary, desirable or expedient to give effect to the Proposed Share Consolidation and this Ordinary Resolution.”

[Ordinary Resolution 10]

[See Explanatory Note (iii)]

BY ORDER OF THE BOARD
WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED
Leung Hon Shing
Company Secretary

Singapore,
June 30, 2015

NOTICE OF ANNUAL GENERAL MEETING

Notes:

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Head office and
principal place of business:
24/F, Wylar Centre, Phase 2
200 Tai Lin Pai Road
Kwai Chung, New Territories
Hong Kong

1. With the exception of The Central Depository (Pte) Ltd. (the “**Depository**”) and HKSCC Nominees Limited (“**HKSCC Nominees**”) which 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 AGM.
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 later than 48 hours before the time appointed for holding the AGM or at its adjournment.

NOTICE OF ANNUAL GENERAL MEETING

5. Subject to the receipt of Shareholders' approval at the AGM, the first and final dividend will be payable on Wednesday, August 26, 2015. In order to qualify for the above 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 Friday, August 14, 2015. Any removal of the Shares between the branch registers of members in Singapore and Hong Kong has to be made by Shareholders not later than 5:00 p.m. on Thursday, August 6, 2015. Shareholders who hold their Shares on the Hong Kong branch Register of Members will receive their first and final dividend payment in Hong Kong dollars; while Shareholders who hold their Shares on the Singapore Register of Members will receive their first and final dividend payment in Singapore dollars.
6. Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, all resolutions set out in this Notice will be voted by poll.

EXPLANATORY NOTES:

- i. **Further information on the proposed authority to allot and issue new Shares in Ordinary Resolution 8 above is set out in the circular of the Company dated June 30, 2015 (the "Circular"), and in particular, on pages 8 to 9 thereto.**
- ii. **Detailed information on the Share Buyback Mandate (as defined in Ordinary Resolution 9 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 II thereto.**
- iii. **Detailed information on the Proposed Share Consolidation (as defined in Ordinary Resolution 10 above) is set out in the Circular, and in particular, Appendix III thereto.**

As at the date of this notice, 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 Iu Po Chan, Eugene.