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威雅利電子(集團)有限公司

**WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Hong Kong stock code: 854)**

**(Singapore stock code: BDR)**

## **TERMINATION OF DISTRIBUTORSHIP AGREEMENTS BETWEEN TOSHIBA AND GW ELECTRONICS**

The board of directors (the "Board") of Willas-Array Electronics (Holdings) Limited (the "Company" and together with its subsidiaries, the "Group") wishes to announce that owing to the change of business environment, Toshiba Electronics Asia, Ltd. ("Toshiba Asia") and Toshiba Electronics (China) Co., Ltd. ("Toshiba China" and together with Toshiba Asia, "Toshiba") decided to terminate their respective authorised distributorship agreements (collectively, the "Agreements") with the Company's associated company, GW Electronics Company Limited ("GW Electronics"), who accepts the termination of the Agreements (the "Termination").

GW Electronics has on September 16, 2015, received two letters dated September 14, 2015 which were separately issued by Toshiba Asia and Toshiba China (the "Termination Notices"). In accordance with the terms of the Agreements and the Termination Notices, the Termination was effective on September 14, 2015. Pursuant to the Agreements and the Termination Notices, GW Electronics will return the existing inventory of "Toshiba" brand of semiconductor products to Toshiba subsequent to the Termination.

The Company currently indirectly holds 49% of the paid-up share capital of GW Electronics. The remaining 51% of GW Electronics is owned by G.M.I Technology Inc. ("GMI"), an electronics distributor based in Taiwan and listed on the Taiwan Stock Exchange. GW Electronics' primary business activity was to act as Toshiba's authorised distributor for the "Toshiba" brand of semiconductor products in mainland China and Hong Kong.

GW Electronics' revenue is principally derived from its Toshiba distribution business. Based on the audited consolidated financial statements of the Group for the financial year ended March 31, 2015 ("FY2015"), the share of GW Electronics' loss amounted to approximately HK\$6,486,000.

The *pro forma* illustrative financial effects of the Termination on the Group's earnings per share of the Company ("Share") and net tangible assets ("NTA") per Share, based on the audited consolidated financial statements of the Group for FY2015 and the following assumptions, are set out in the table below:

- for the purposes of showing the illustrative impact on earnings per Share, it is assumed that the Termination was effective on April 1, 2014; and
- for the purposes of showing the illustrative impact on NTA per Share, it is assumed that the Termination was effective on March 31, 2015.

	Before Termination	After Termination
<b>Earnings per Share (HK cents)</b>	8.50 <sup>(1)</sup>	10.23 <sup>(2)</sup>
<b>NTA per Share (HK cents)</b>	175.76 <sup>(3)</sup>	177.48 <sup>(4)</sup>

**Notes:**

- (1) Based on the Group's profits attributable to the owners of the Company for FY2015 of approximately HK\$31,957,000 divided by the weighted average number of 375,821,109 Shares.
- (2) Based on the Group's estimated profits attributable to the owners of the Company for FY2015 of approximately HK\$38,443,000 divided by the weighted average number of 375,821,109 Shares.
- (3) Based on the Group's NTA as at March 31, 2015 of approximately HK\$662,167,000, divided by 376,744,800 issued Shares in the capital of the Company.
- (4) Based on the Group's estimated NTA as at March 31, 2015 of approximately HK\$668,653,000, divided by 376,744,800 issued Shares in the capital of the Company.

Please bear in mind that the above information is **solely for illustrative purposes only** and does not reflect either the actual financial effects of the Termination on the Group or the future financial performance and/or position of the Group immediately following the effective date of the Termination.

As the Termination results in the loss of GW Electronics' major distribution authorisation, it is intended that GW Electronics will downsize its operation to an optimum level to serve its existing product lines. GW Electronics also intends to continue to seek other business opportunities, such as obtaining authorised distributorship rights from other brands of electronic components.

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

Hong Kong/Singapore, September 16, 2015

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