



WILLAS-ARRAY™
Willas-Array Electronics (Holdings) Limited
威雅利電子(集團)有限公司

Interim Results Briefing First 6 Months Ended 30 Sep 2015

16 Nov 2015



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Results Highlights



Profit And Loss

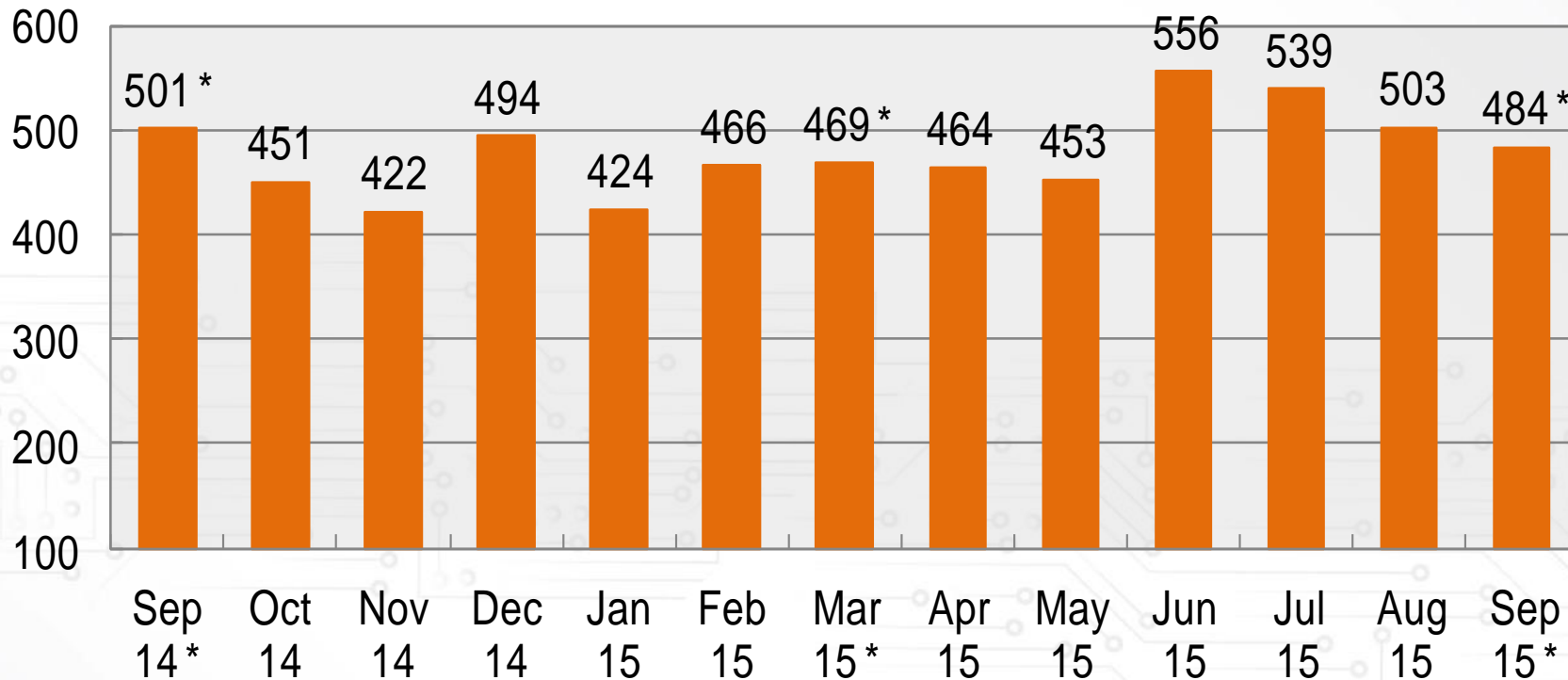
	1H FY 16 HK\$'000	1H FY 15 HK\$'000	Inc (Dec) HK\$'000	% Change %
Turnover	1,878.2	1,779.4	98.8	5.6%
EBITDA *	52.3	29.9	22.4	74.3%
Depreciation & Amortization	(7.4)	(6.0)	(1.4)	23.3%
Finance costs	(10.2)	(8.1)	(2.1)	25.5%
(Loss) profit before tax *	34.7	15.8	18.9	118.7%
Income tax expenses	(8.3)	(5.1)	(3.2)	62.1%
(Loss) profit after tax *	26.4	10.7	15.7	145.7%
Minority interests	(1.4)	2.6	(4.0)	- 153.1%
(Loss) profit attributable to shareholders *	25.0	13.3	11.7	87.2%
Share of (loss) profit of associates	(19.2)	0.4	(19.6)	NM
Impairment loss recognised in respect of interests in associates	(45.0)	0.0	(45.0)	NM
(Loss) profit attributable to shareholders including associates' result	(39.2)	13.7	(52.9)	- 386.4%
(LPS) EPS (HK cents)	(52.02)	18.27	(70.29)	- 384.8%

* Figures excluding associates' result

NM : Not meaningful

Inventory Level

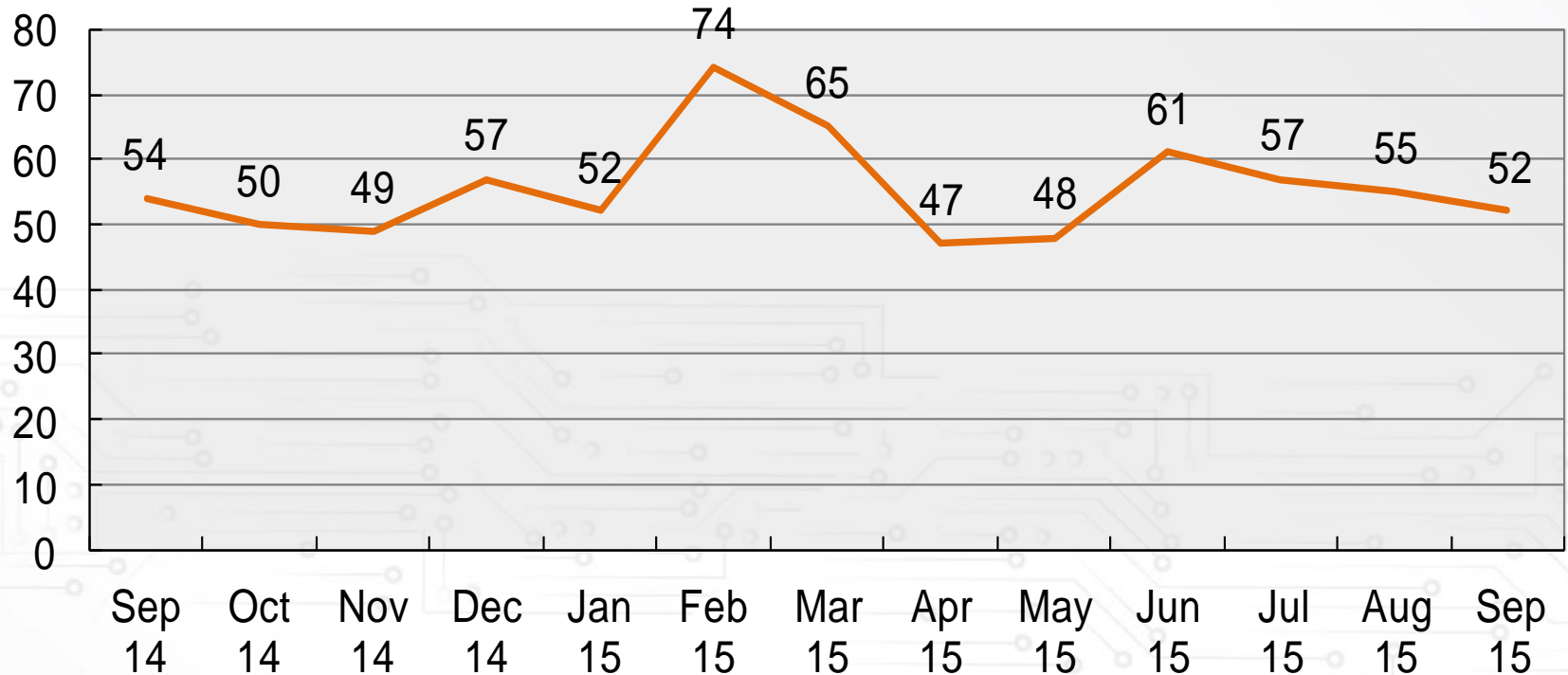
In HK\$'M



* Excluding Goods-in-Transit

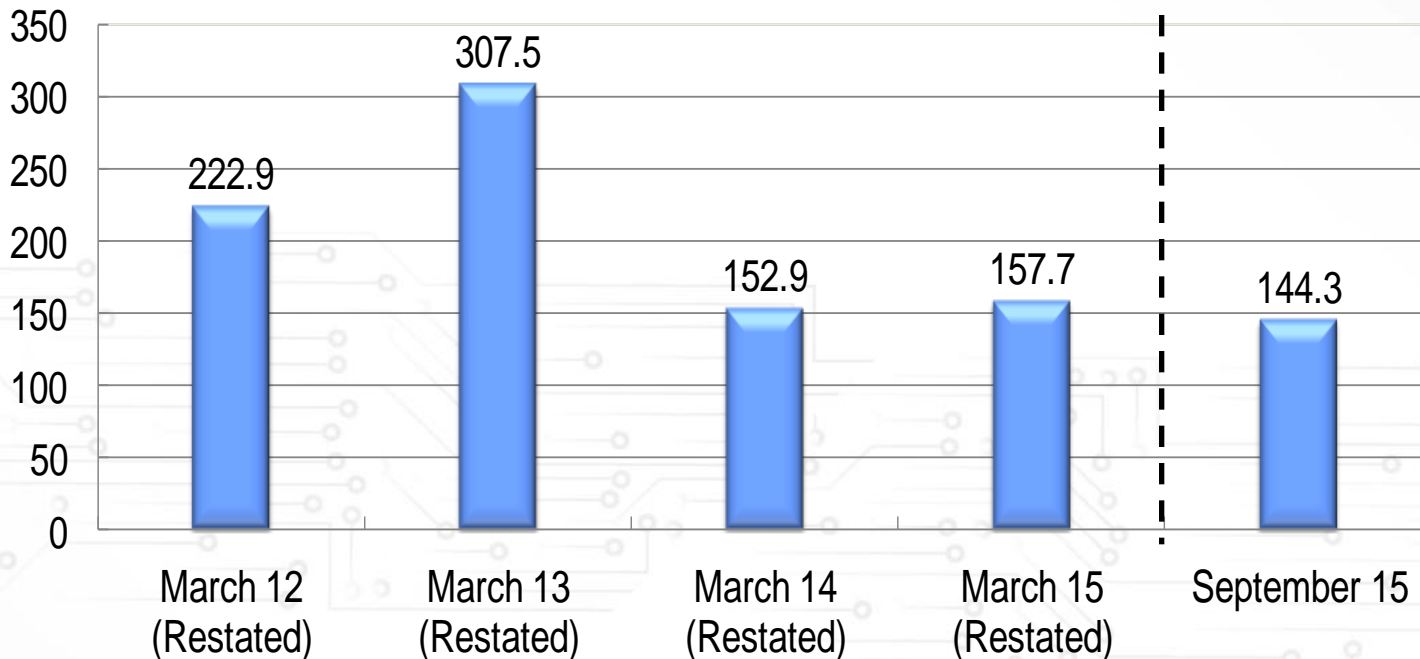
Inventory Turnover Ratio

No. of days



Net Cash Per Share

HK Cents



Net Cash: Cash and bank balances less bank borrowings

March 12, 13, 14, 15 figures are restated after taking the effect of 5-for-1 share consolidation effective on August 17, 2015.



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Business Review



Business Review

- Business Segment Review
- Market Update
 - Smartphone Market
 - China Automotive Market

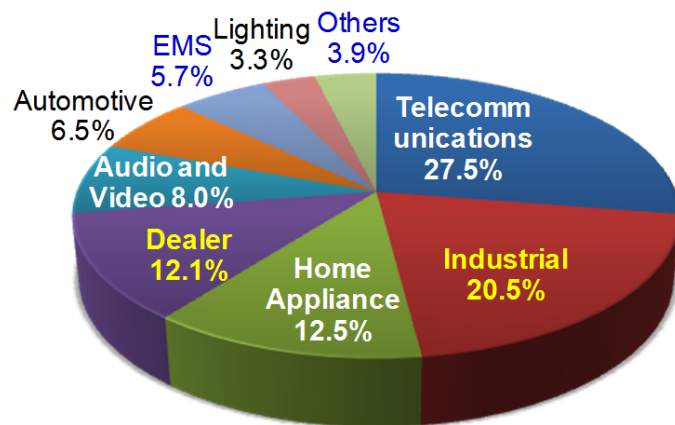
Segments Analysis

SEGMENTAL ANALYSIS

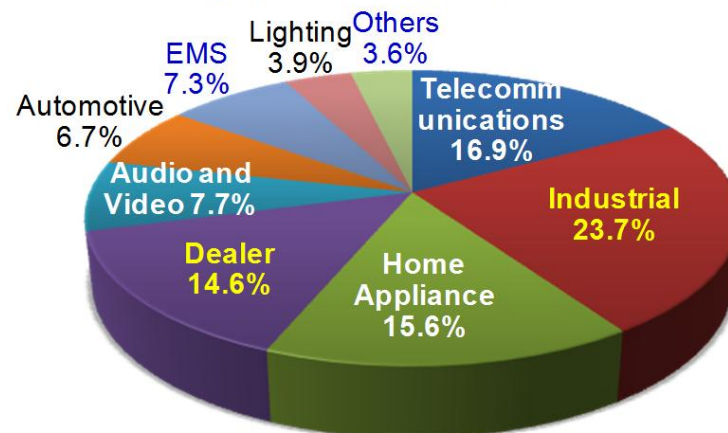
(in HK\$'000)

	Apr - Sep 2015		Apr - Sep 2014		Increase (Decrease)	
		%		%		%
Turnover						
Telecommunications	516,741	27.5%	299,981	16.9%	216,760	72.3%
Industrial	384,181	20.5%	421,521	23.7%	(37,340)	-8.9%
Home Appliance	235,463	12.5%	278,463	15.6%	(43,000)	-15.4%
Dealer	227,121	12.1%	260,235	14.6%	(33,114)	-12.7%
Audio and Video	151,096	8.0%	136,757	7.7%	14,339	10.5%
Automotive	121,127	6.5%	118,817	6.7%	2,310	1.9%
EMS	107,429	5.7%	130,072	7.3%	(22,643)	-17.4%
Lighting	62,641	3.3%	69,254	3.9%	(6,613)	-9.5%
Others	72,423	3.9%	64,251	3.6%	8,172	12.7%
	1,878,222	100.0%	1,779,351	100.0%	98,871	5.6%

Segmental Analysis 2015



Segmental Analysis 2014



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Worldwide Smartphone

Top 5 Global Smartphone Brands by Shipments, 2Q15~3Q15

Company	3Q15		2Q15	
	Ranking	Market share	Ranking	Market share
Samsung	1	24.6%	1	26.7%
Apple	2	13.7%	2	15.4%
Huawei	3	8.4%	3	7.5%
Xiaomi	4	5.7%	4	5.9%
Lenovo	5	5.7%	6	5.2%
Others	--	41.8%	--	39.2%
Shipment Total (Unit: K)		332,710		305,090

Note 1: Data are preliminary and subject to change.

Note 2: The difference between Xiaomi's and Lenovo's shipment results is too small to be shown in percentage terms. Xiaomi is still ahead of Lenovo in total shipments.

Source: TrendForce, Oct., 2015

- **The Worldwide smartphone shipments for the period grew by 9.1% over the previous quarter and total 332 million**
- **TrendForce projected that the global smartphone shipments would grow 9.3 % in 2015 and 7.7% in 2016.**

Source: TrendForce, 14Oct 2015

China Smartphone Shipments

Top 5 Chinese Smartphone Brands by Shipments, 2Q15~3Q15

Company	3Q15		2Q15	
	Ranking	Market share	Ranking	Market share
Huawei	1	18.7%	1	17.9%
Xiaomi	2	12.7%	2	14.0%
Lenovo	3	12.7%	3	12.5%
TCL	4	10.4%	4	9.7%
OPPO	5	8.7%	5	9.7%
Others	--	36.8%	--	36.2%
Shipment Total (Unit: K)		149,500		128,500

Note 1: Data are preliminary and subject to change.

Note 2: The difference between Xiaomi's and Lenovo's shipment results is too small to be shown in percentage terms. Xiaomi is still ahead of Lenovo in total shipments.

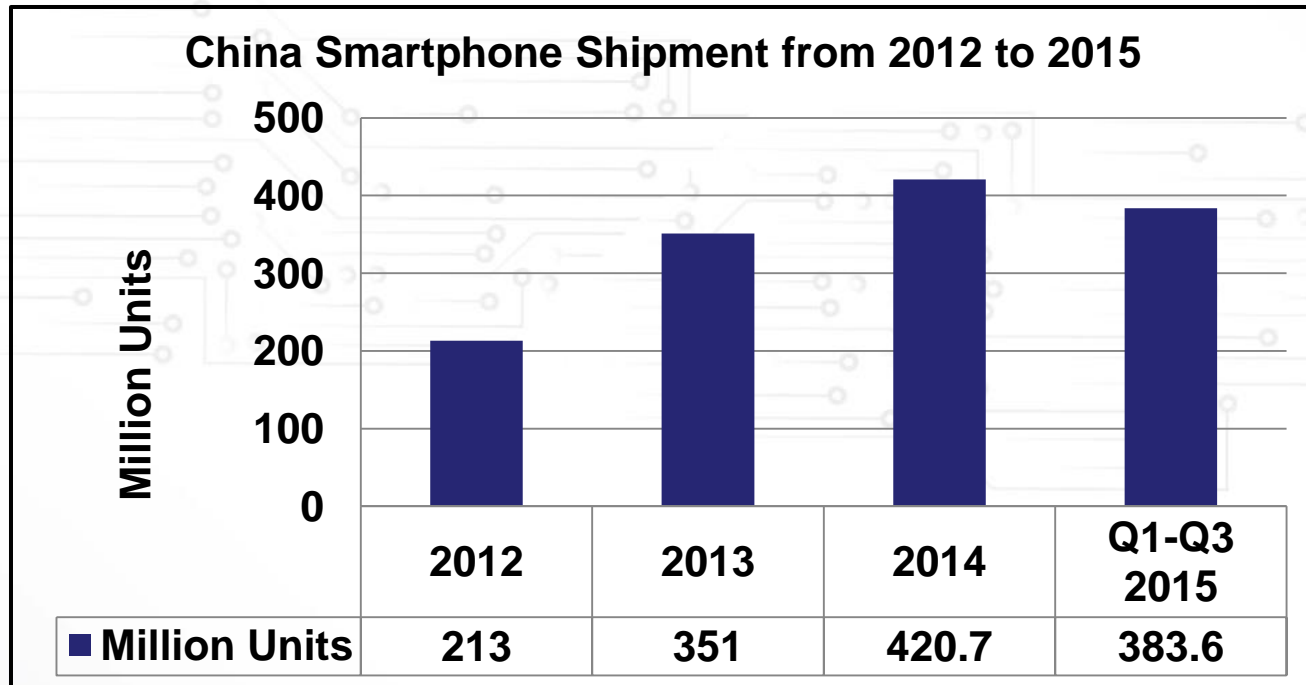
Source: TrendForce, Oct., 2015

- **TrendForce reports the 3rd quarter shipments of Chinese branded smartphones had a 16.3% increase quarter-over-quarter with 149.5M units shipped.**

Source: TrendForce, 14Oct2015

China Smartphone Shipments

- The shipments of China smartphone in 1H 2015 are 234.1 million units.
- Whereas total 149.5 million units were shipped by Q3 2015, 16.3% increase sequentially.



China 4G Users

- **Ministry of Industry and Information Technology (MIIT) announced total 4G mobile users in China had reached 302 million by Sep 2015.**
- **While the number of Chinese 4G users increased 25.15 million by Sep. On the contrary, 3G subscribers decreased by 8.8 million at the same period. This indicates high speed users are converting to the 4G network.**
- **In China total mobile Internet users, both 3G and 4G, total 730 million by Sep 2015.**
- **The 4G penetration rate has reached to 23% as the total number of mobile users nationwide amounts to 1.3 billion.**

Business Review

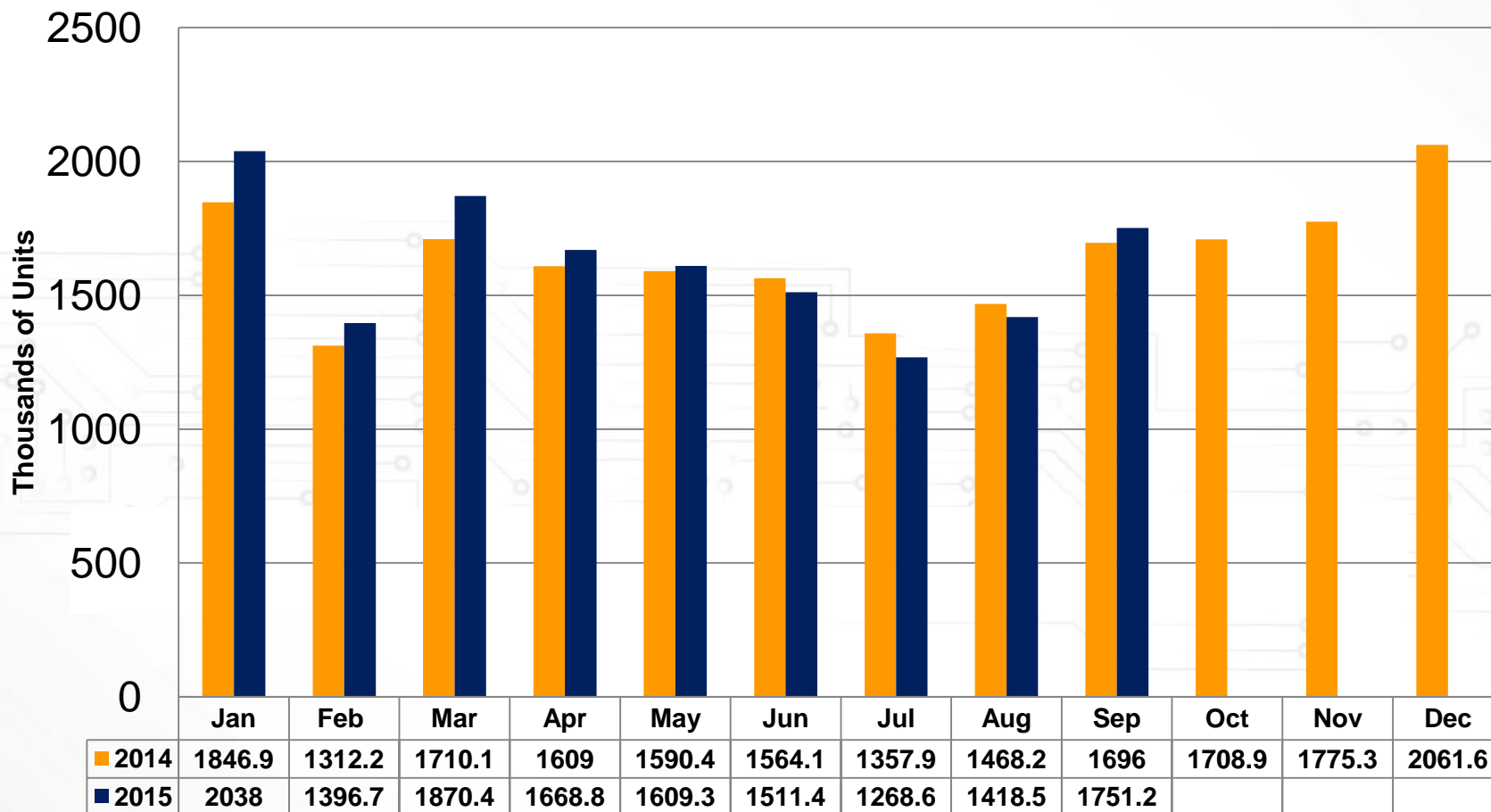
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- **According to the China Association of Automobile Manufacturers (CAAM), Chinese car production increased 7.3% year-on-year in 2014, to more than 23 million units. Passenger car sales increased 9.9% while commercial vehicle sales dropped 6.5%.**
- **The total car production growth slowed to 2.6% year-on-year (12.1 million units) in H1 of 2015, mainly due to lower economic growth. Passenger car sales registered an increase of 4.8% to 10.1 million.**
- **But the slowing economy had an impact on the commercial vehicle market, as sales of commercial vehicles decreased by 14.4%, to 1.8 million units. Given the downward revision of the forecast for Chinese GDP growth to 6.5% in 2015 and the recent stock market volatility hurting consumer spending, car sales are currently expected to grow just 3.9% this year, down from 7% growth projected in January 2015.**

China Passenger Vehicle Sales

Jan-Dec 2014, Jan-Sep2015

China Passenger Vehicle Sales

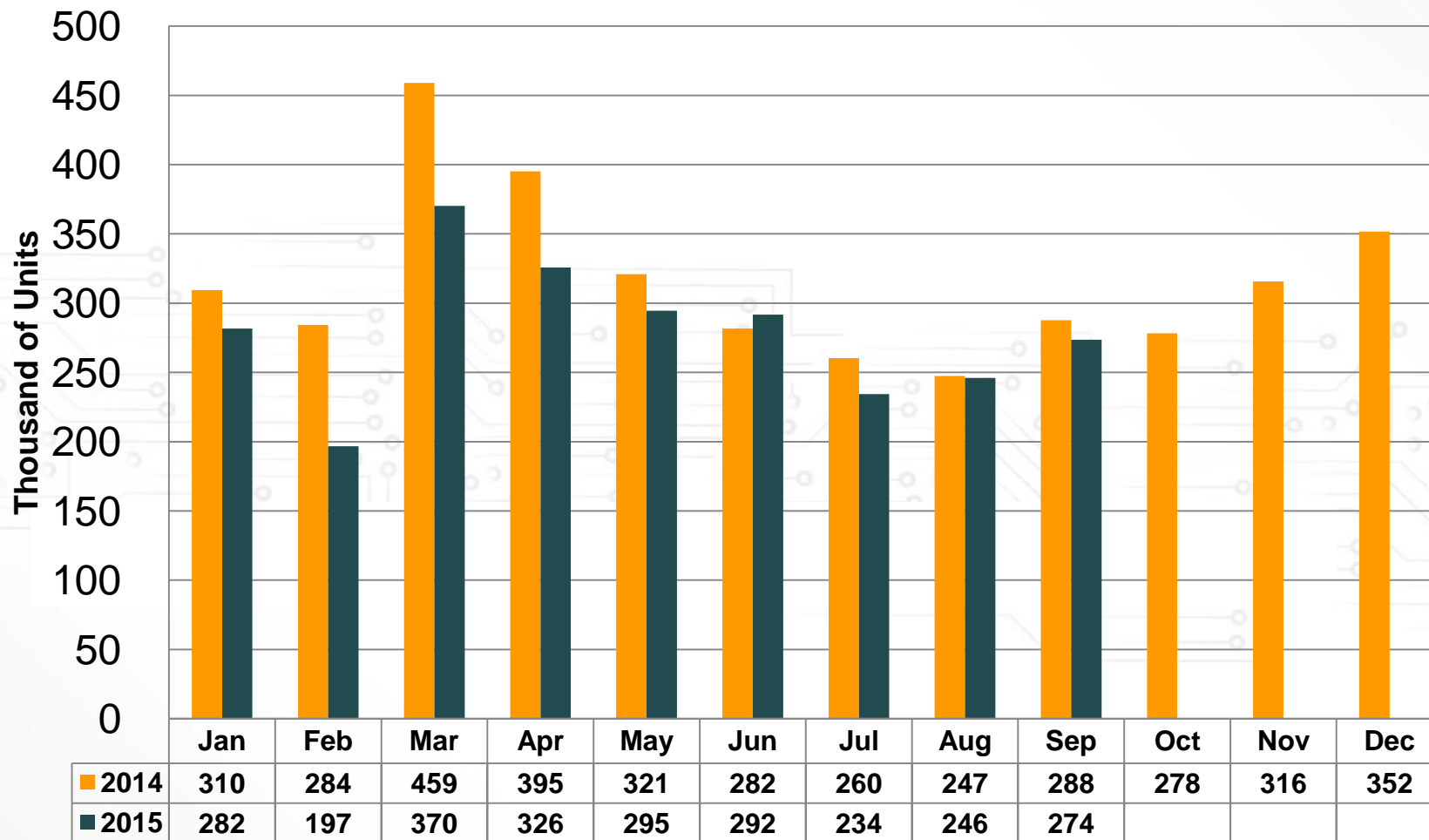


Source: CAAM, Nov 2015

China Commercial Vehicle Sales

Jan-Dec 2014, Jan-Sep2015

China Commercial Vehicle Sales



Light Vehicle Sales in China, 2013-2018

	2013	2014	2015	2016	2017	2018
Sales (Millions)	21.4	23.1	23.4	24.2	25.9	26.9
Change	15.0%	8.1%	1.4%	3.4%	6.9%	3.8%

Source: IHS Automotive, September 2015 Light Vehicle Sales Forecast

- **IHS Automotive has reduced its full year 2015 light vehicle sales forecast for China to 23.4 million units, reflecting a growth rate over 2014 of just 1.4 %, compared with its previous forecast of 4.4% year-over-year growth.**
- **The sales slowdown is widespread throughout China, according to the IHS analysis of its proprietary province- and city-level forecast, along with the current economic climate. Nearly one in four cities (out of 340 monitored by IHS) is reporting declining light vehicle sales.**

China Automotive Market

- The growth rate for vehicle shipments in China is slowing, but more and better performing semiconductors will still be required in automotive applications in the coming years.
- Total automotive semiconductor revenue in China reached US\$5.6 billion in 2014, and revenues are expected to grow nearly 11% year over year in 2015 to reach US\$6.2 billion.
- Semiconductors used in automotive powertrains, infotainment and body-convenience electronic systems are the primary drivers of revenue.
- Local automotive design market revenue in China was estimated to reach \$1.5 billion in 2014, led by the automotive infotainment category, which includes car radios and navigation systems. IHS expects that the total local design market in China will grow at a 13% compound rate from 2014 to 2019.

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Thank You !