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WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

威雅利電子(集團)有限公司

(Incorporated in Bermuda with limited liability)

(Hong Kong stock code: 854)

(Singapore stock code: BDR)

**UPDATE ON DISPUTE INVOLVING ASSOCIATED COMPANY
– OPPOSITION, APPLICATION TO STRIKE OUT WINDING-UP PETITION,
AND REQUEST FOR ARBITRATION**

This announcement is made by the Company pursuant to Rule 13.09 of the HK Listing Rules and the Inside Information Provisions under Part XIVA of the SFO, as well as in accordance with Rule 703 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The board of directors (the "Board") of Willas-Array Electronics (Holdings) Limited (the "Company" and together with its subsidiaries, the "Group") refers to the announcements dated September 16, 2015 and February 29, 2016 in relation to the termination of the respective authorised distributorship agreements (individually "the Agreement", or collectively "the Agreements") between each of Toshiba Electronics Asia, Ltd. ("Toshiba Asia") and Toshiba Electronics (China) Co., Ltd., and the Company's associated company, GW Electronics Company Limited ("GW Electronics"), which termination was accepted by GW Electronics on the basis of the settlement agreement reached between the relevant parties as well as the terms of the Agreements and the termination notices. The Board also refers to the announcement dated March 21, 2016 in relation to the winding-up petition issued against GW Electronics by Toshiba Asia in connection with an alleged outstanding amount of approximately US\$15.3 million which Toshiba Asia alleged was due and payable by GW Electronics (the "Winding-up Petition") following the termination of the Agreements.

The Company has been informed by GW Electronics on May 12, 2016 that GW Electronics has on May 12, 2016 filed with the High Court of the Hong Kong Special Administrative Region Court of First Instance affirmations to oppose and apply to strike out the Winding-up Petition on the basis that the Winding-up Petition is an abuse of legal process, there being a bona fide dispute on substantial grounds as to the alleged debt on which the Winding-up Petition is founded, or in

the alternative, for the court to order that the Winding-up Petition be stayed for arbitration, and in connection with the latter, formal notice of arbitration had been given to Toshiba Asia on May 11, 2016 that the dispute between GW Electronics and Toshiba Asia is to be referred to arbitration pursuant to the terms of the Agreement with Toshiba Asia.

The Board will continue to provide updates to the Shareholders as necessary in the event it has information from GW Electronics on material developments to the Winding-up Petition and dispute between Toshiba Asia and GW Electronics.

GW Electronics is an associated company of the Company, which is incorporated in Hong Kong. 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., an electronics distributor based in Taiwan and listed on the Taiwan Stock Exchange.

As GW Electronics is a limited liability corporation, the Group's maximum potential exposure to any legal claim by Toshiba Asia against GW Electronics, including as a result of the Winding-up Petition, will be limited to the Group's equity interest in GW Electronics. For the avoidance of doubt, the Group has not extended any corporate guarantees to, or indemnities in favour of, Toshiba Asia in respect of GW Electronics.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company, and, in case of doubt, to seek independent advice from professional or financial advisers.

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

Hong Kong/Singapore, May 12, 2016

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.