



**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 2016**

**15 Nov 2016**



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- Results Highlights
- Business Review



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# Results Highlights



# Profit And Loss

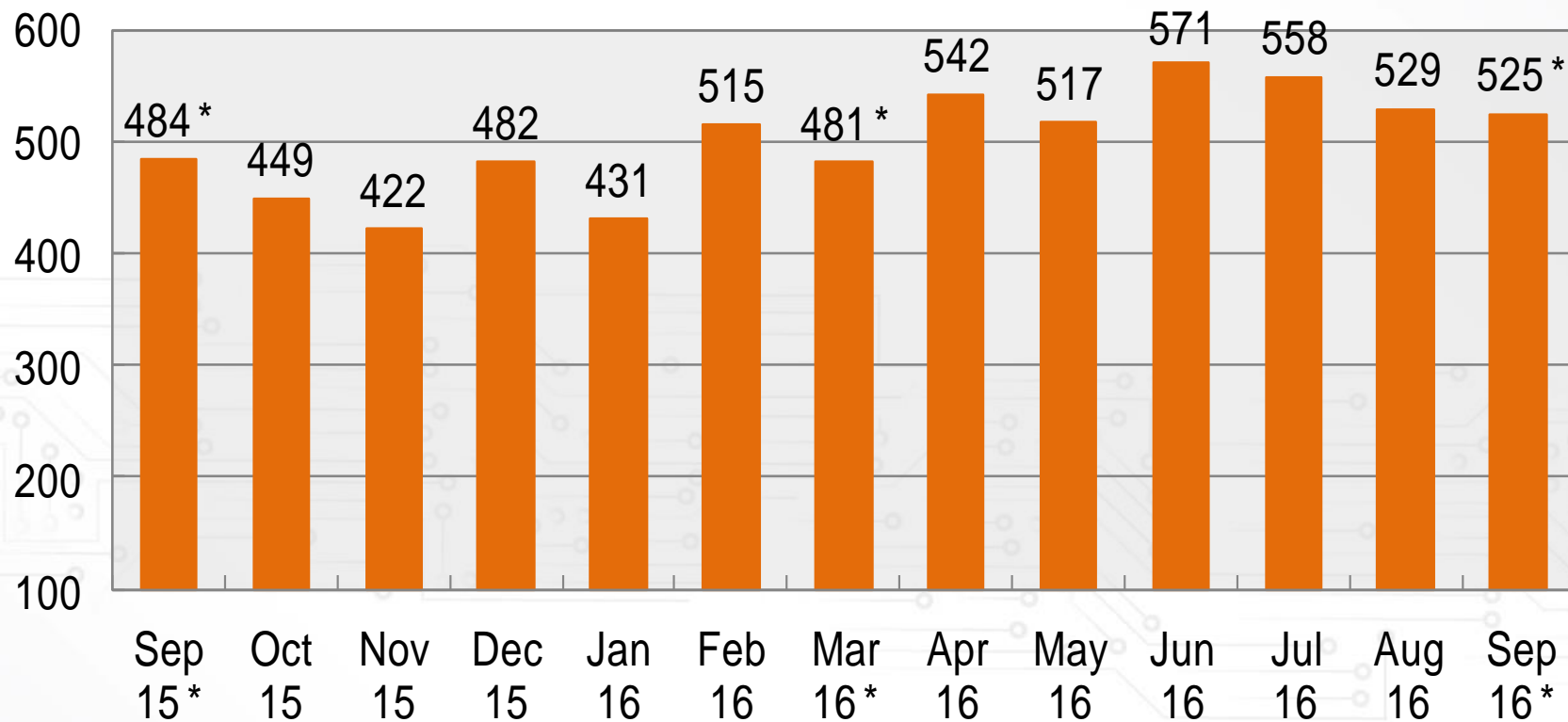
	1H FY 17 HK\$'M	1H FY 16 HK\$'M	Inc (Dec) HK\$'M	% Change %
<b>Continuing operations</b>				
Turnover	2,069.9	1,874.8	195.1	10.4%
<b>EBITDA*</b>	38.8	51.4	(12.6)	-24.6%
Depreciation & Amortization	(6.3)	(7.3)	1.0	-13.9%
Finance costs	(11.6)	(10.1)	(1.5)	14.3%
<b>Profit before tax*</b>	20.9	34.0	(13.1)	-38.6%
Income tax expenses	(5.0)	(8.3)	3.3	-40.3%
<b>Profit after tax from continuing operations*</b>	15.9	25.7	(9.8)	-38.0%
<b>Discontinued operations</b>				
Profit after tax from discontinued operations	(1.8)	0.7	(2.5)	NM
<b>Profit after tax</b>	14.1	26.4	(12.3)	-46.7%
Minority interests	0.5	(1.4)	1.9	137.0%
<b>Profit attributable to shareholders*</b>	14.6	25.0	(10.4)	-41.7%
Share of loss of associates	0.0	(19.2)	19.2	NM
Impairment loss recognised in respect of interests in associates	0.0	(45.0)	45.0	NM
<b>Profit (loss) attributable to shareholders including associates' result</b>	14.6	(39.2)	53.8	137.2%
EPS (LPS) (HK cents)	19.30	(52.02)	71.32	137.1%

\* Figures excluding associates' result

NM : Not meaningful

# Inventory Level

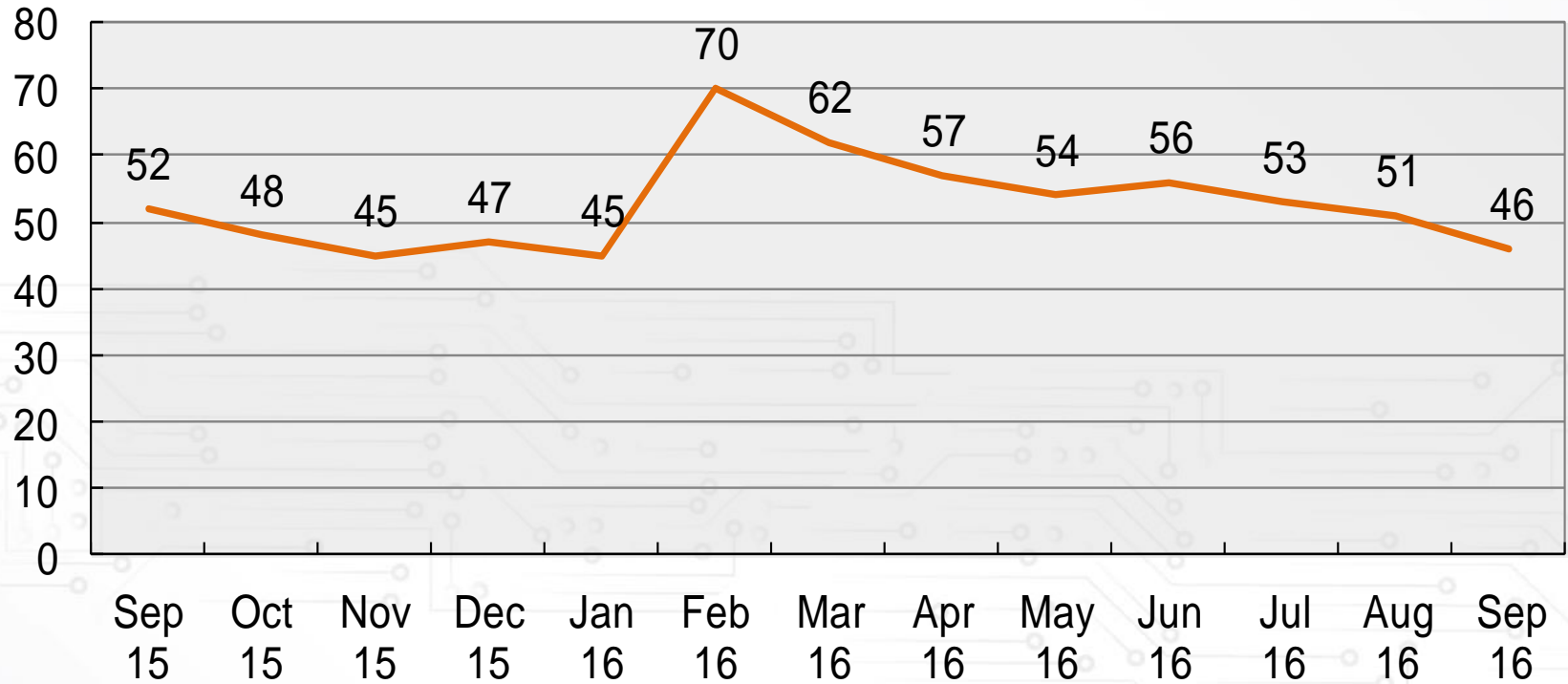
In HK\$'M



\* Excluding Goods-in-Transit

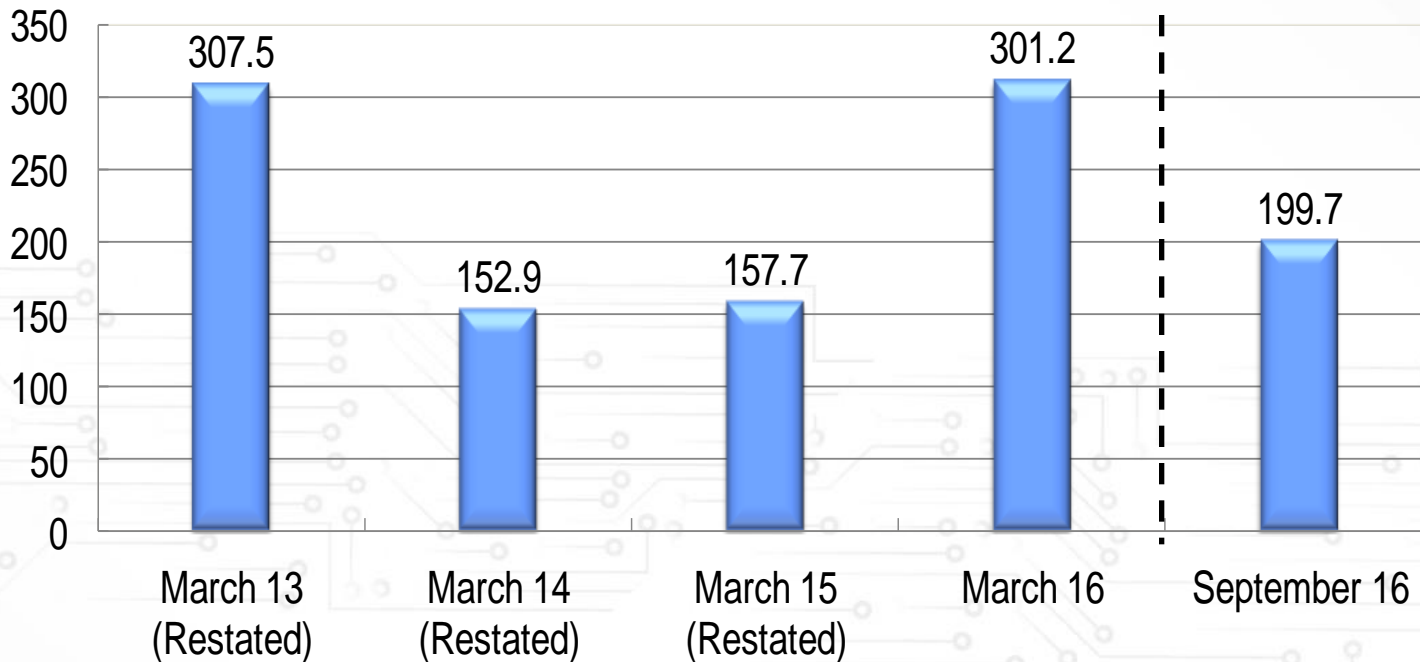
# Inventory Turnover Ratio

No. of days



# Net Cash Per Share

HK Cents



Net Cash: Cash and bank balances less bank borrowings

March 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

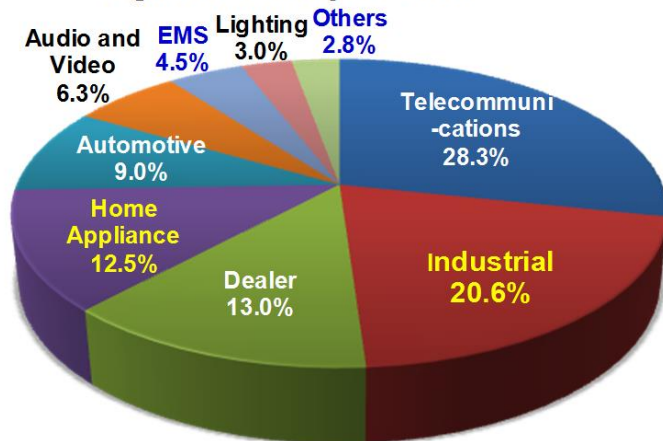
- Business Segment Review
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  - China Home Appliance Market

# Segments Analysis

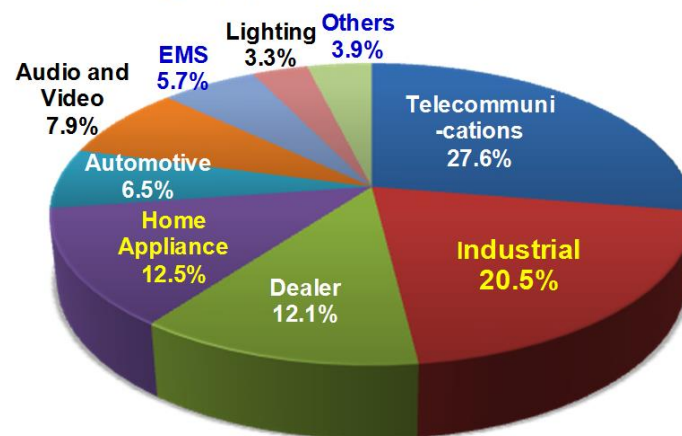
(in HK\$'000)

	Apr - Sep 2016		Apr - Sep 2015		Increase (Decrease)	
Turnover		%		%		%
Telecommunications	586,061	28.3%	516,741	27.6%	69,320	13.4%
Industrial	426,648	20.6%	384,181	20.5%	42,467	11.1%
Dealer	269,925	13.0%	227,121	12.1%	42,804	18.8%
Home Appliance	258,848	12.5%	235,463	12.5%	23,385	9.9%
Automotive	185,143	9.0%	121,127	6.5%	64,016	52.9%
Audio and Video	130,786	6.3%	147,674	7.9%	(16,888)	-11.4%
EMS	92,216	4.5%	107,429	5.7%	(15,213)	-14.2%
Lighting	61,905	3.0%	62,641	3.3%	(736)	-1.2%
Others	58,405	2.8%	72,423	3.9%	(14,018)	-19.4%
	<b>2,069,937</b>	<b>100.0%</b>	<b>1,874,800</b>	<b>100.0%</b>	<b>195,137</b>	<b>10.4%</b>

**Segmental Analysis 2016**



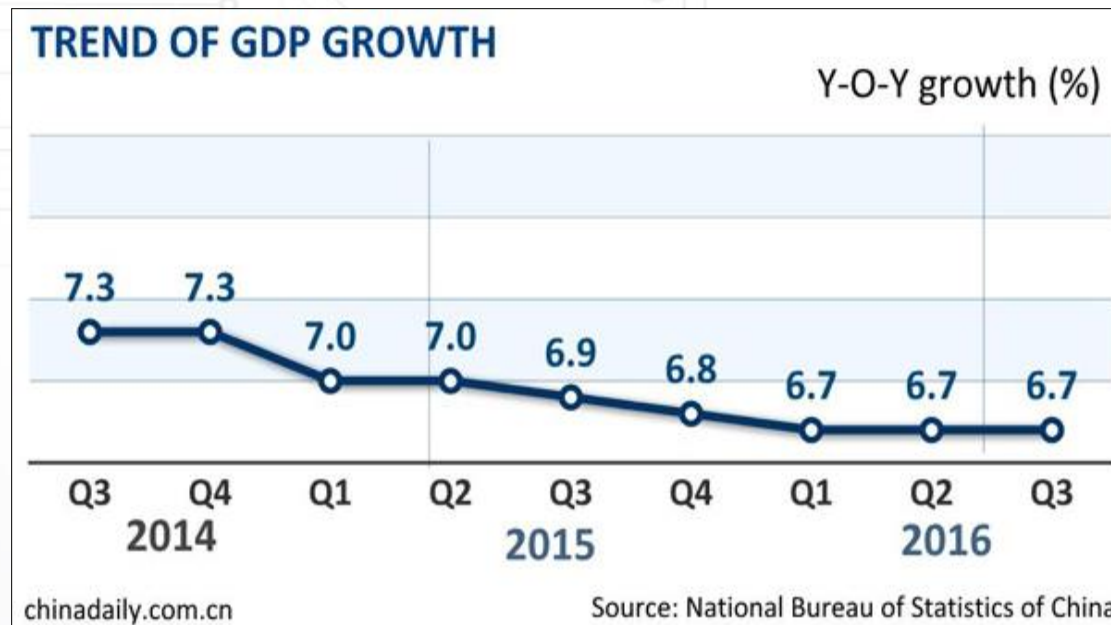
**Segmental Analysis 2015**



# Business Review

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- China's GDP grew 6.7% in Q3 2016, same level compared to the first half of the year, still within the annual growth target range of 6.5% to 7%.
- One of the key contributor of GDP: Fixed-asset investment (FAI), which includes capital spend on infrastructure, property, machinery and other physical assets, grew 8.2% in the first three quarters year-on-year, though slowed by 0.8% compared within the first two quarters.



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- TrendForce reports the production volume of smartphones worldwide totaled around 349.7 million units in the third quarter of 2016. This figure represents a sequential quarterly increase of 10.4%.

**Table 1: Global Smartphone Production Volume & Market Share Ranking of Major Brands, 2Q16~3Q16**

Company	3Q16		2Q16	
	Ranking	Market Share	Ranking	Market Share
Samsung	1	22.3%	1	24.3%
Apple	2	12.9%	2	15.0%
Huawei	3	9.1%	3	9.2%
OPPO	4	6.1%	4	5.6%
LG	5	5.7%	5	5.4%
BBK/vivo	6	5.2%	7	4.7%
Others	--	38.7%	--	35.9%
<b>Total Global Production Volume (Unit: k)</b>		<b>349,778</b>		<b>316,884</b>

Source: TrendForce, Oct., 2016



# China – Smartphone Shipment Q3 2016

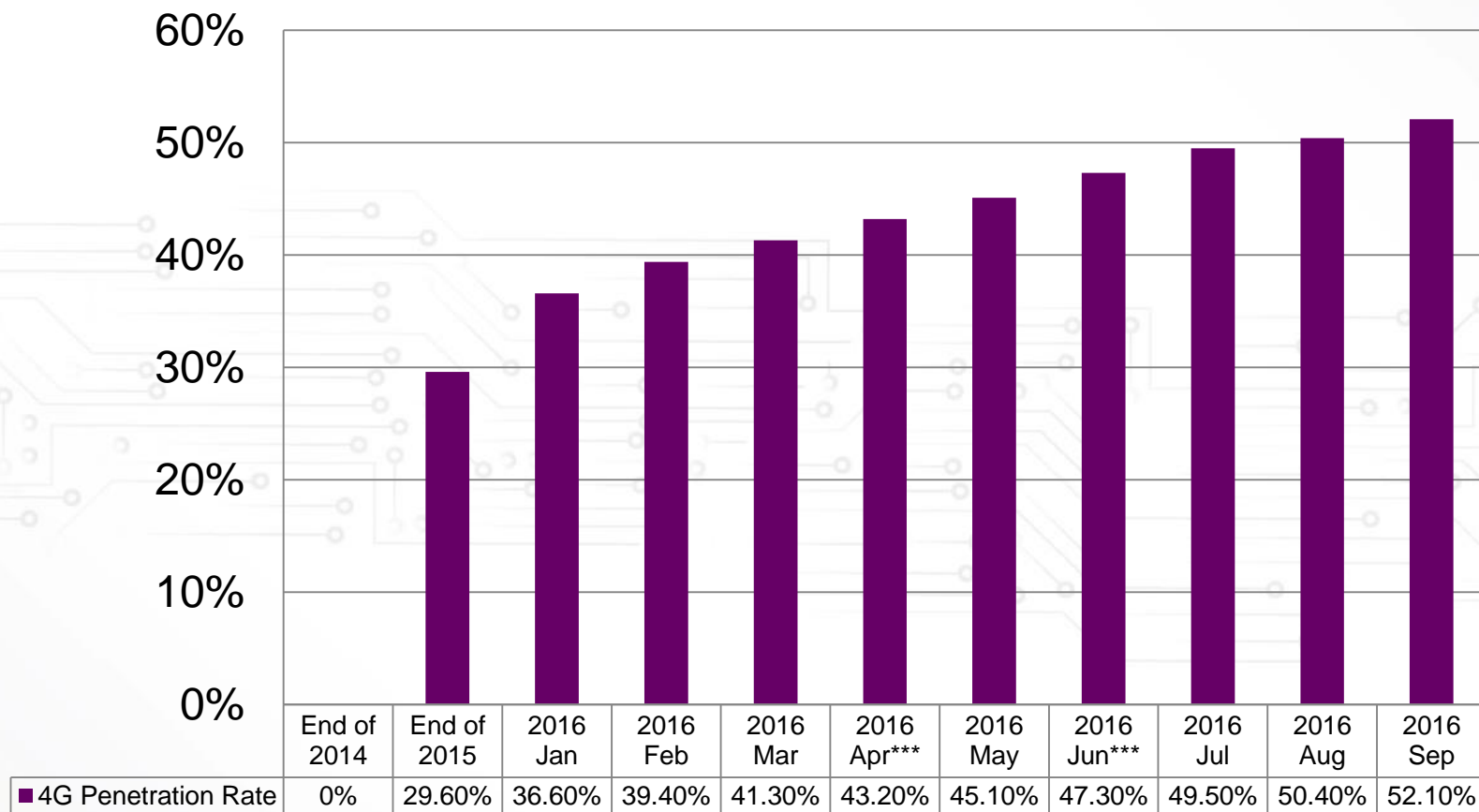
**Table 2: Combined Smartphone Production Volume of Chinese Brands & Market Share Ranking of the Top Five, 2Q16~3Q16**

Company	3Q16		2Q16	
	Ranking	Market Share	Ranking	Market Share
Huawei	1	19.1%	1	20.4%
OPPO	2	12.7%	2	12.5%
BBK/vivo	3	10.9%	4	10.4%
Lenovo	4	10.5%	5	10.1%
Xiaomi	5	8.7%	3	11.0%
Others	--	38.2%	--	35.7%
<b>Combined Production Volume (Unit: k)</b>		<b>167,528</b>		<b>142,144</b>

Source: TrendForce, Oct., 2016

- The combined production volume from Chinese brands reached 167.5 million units in the third quarter, translating to a sequential quarterly increase of 18%.

## 4G Penetration Rate



\*\*\* Apr & Jun : Estimated

- 1. The number of 4G users in China reached 685.89 million by end of Sep 2016. For the first nine month, the penetration rate of 4G reached 52.1%.**
- 2. China had the world's largest 4G network, covering all cities and major towns.**
- 3. China had around 2 million 4G base stations at the end of March of 2016.**
- 4. The 4G market in China become mature and manufacturers are looking for export market to increase their market share.**

# Business Review

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➤ **The growth of passenger cars higher than the overall growth on yearly basis**

For the first nine months, the production and sales of passenger cars were 16,818,000 and 16,752,000 units respectively, up 14.7% and 14.8% year on year. Comparing with the first eight months, the growth rates enlarged 2.8% points and 1.9% points respectively.

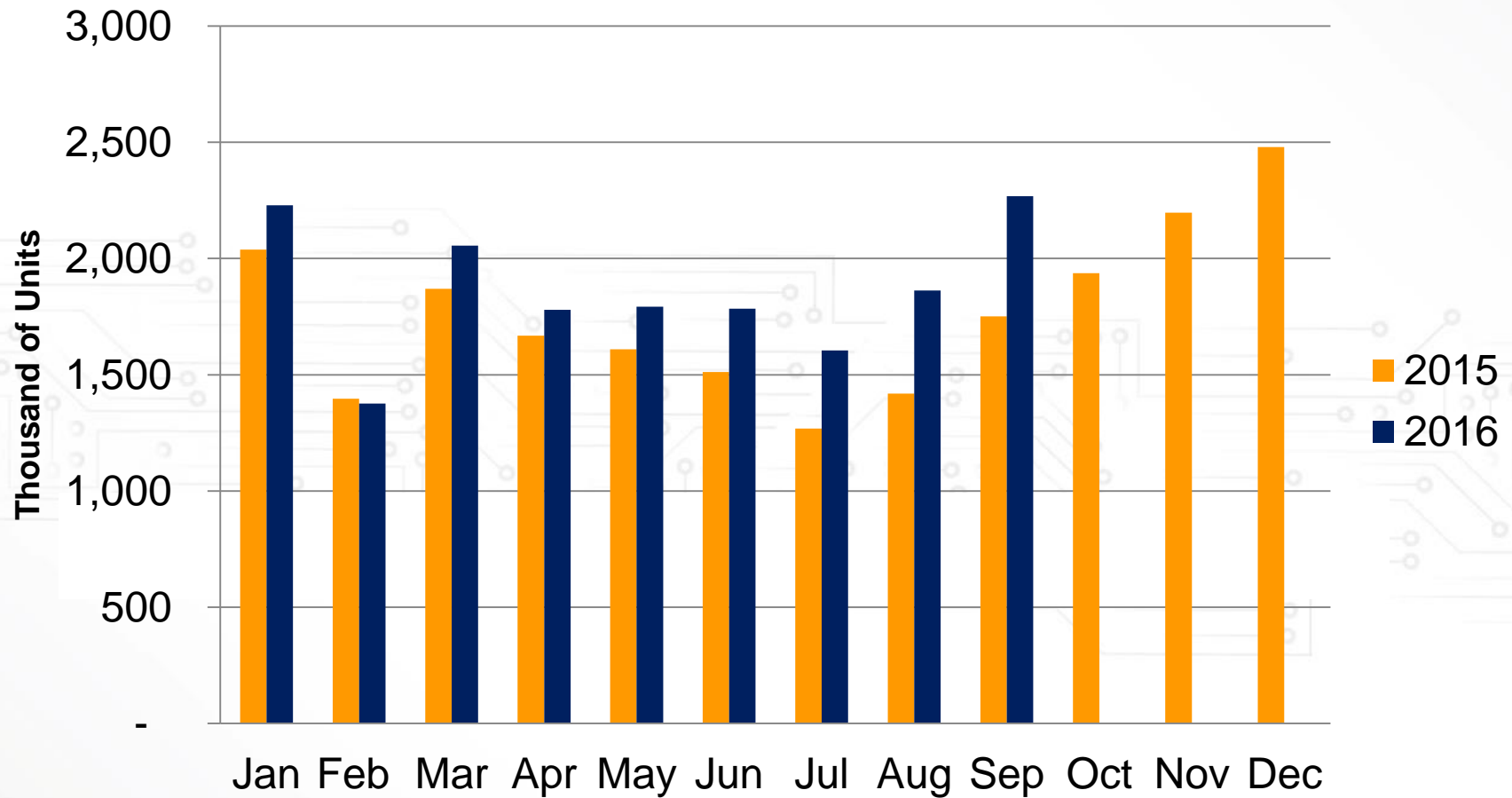
➤ **The market share of Chinese brand passenger cars yearly up**

For the first nine months, the accumulated sales of Chinese brand passenger cars reached 7,071,800 units, up 18.72% year on year. The market share increased 1.41% than the previous year, reaching 42.21%.

# China Passenger Vehicle Sales

## 2015, 2016

### China Passenger Vehicle Sales



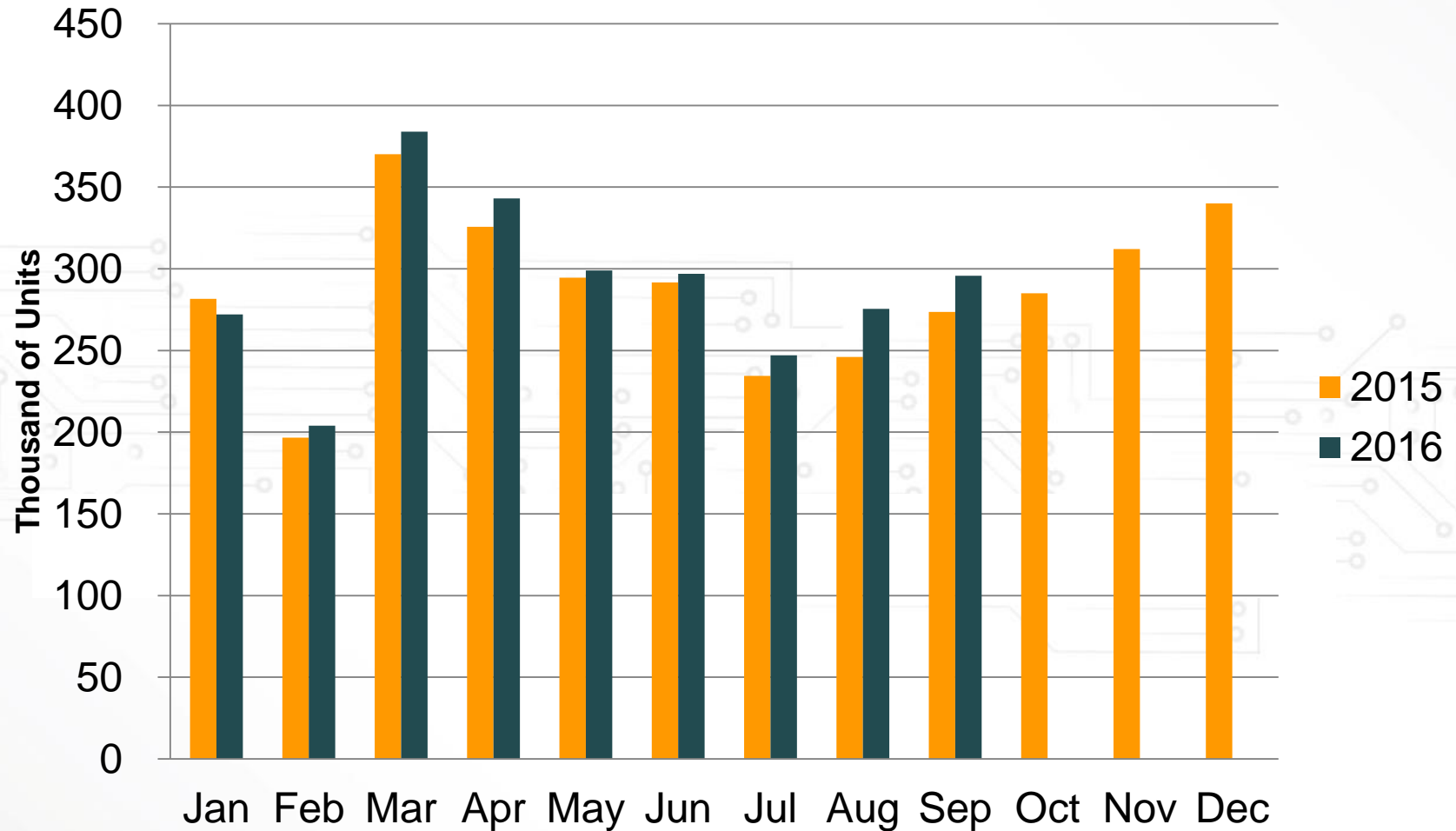
[Source: CAAM, Oct 2016]



# China Commercial Vehicle Sales

## 2015, 2016

### China Commercial Vehicle Sales



## 2016年1-9月中国品牌汽车分车型前十家生产企业销量排名

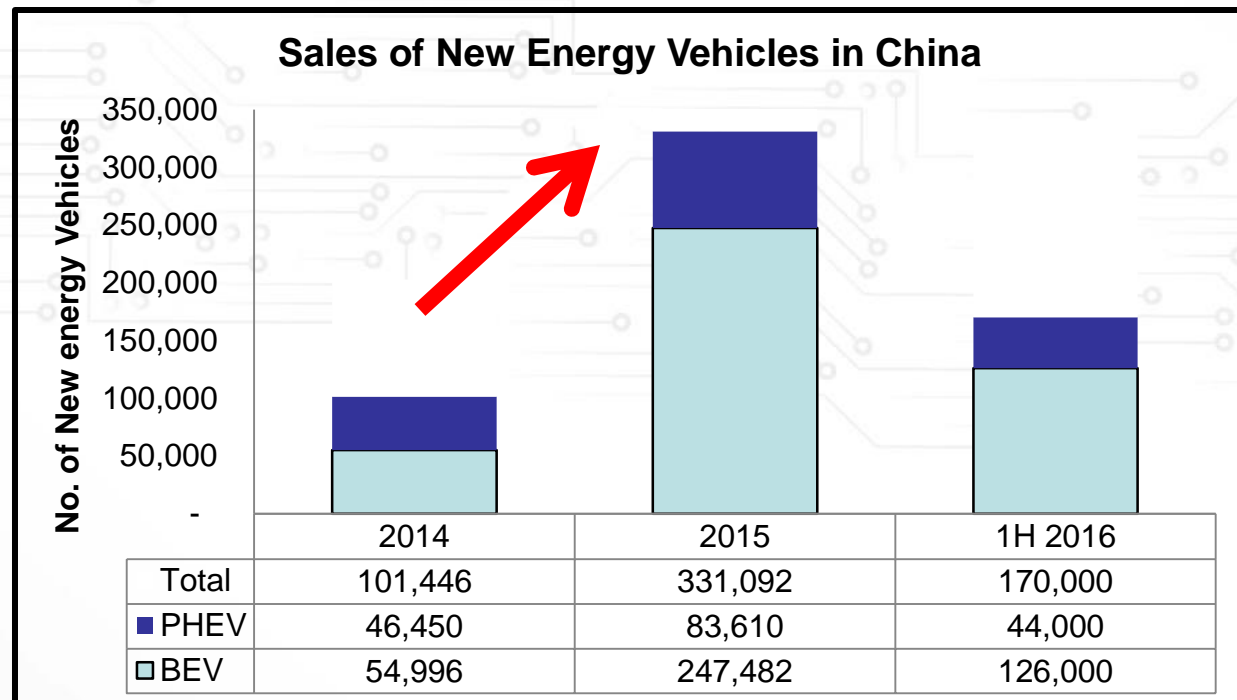
单位：万辆、%

排名	汽车		乘用车		商用车	
	企业名称	销量	企业名称	销量	企业名称	销量
1	上汽集团	172.66	上汽集团	148.13	北汽集团	35.59
2	中国长安	124.81	中国长安	97.44	东风集团	33.91
3	东风集团	95.86	东风集团	61.95	中国长安	27.38
4	北汽集团	92.02	长城汽车	61.40	上汽集团	24.53
5	长城汽车	69.00	北汽集团	56.43	安徽江淮	20.79
6	吉利控股	48.16	吉利控股	48.16	一汽集团	16.35
7	安徽江淮	47.28	奇瑞汽车	38.41	中国重型	13.77
8	奇瑞汽车	39.85	比亚迪汽车	33.57	重庆力帆	10.40
9	一汽集团	35.40	广汽集团	26.91	华晨汽车	9.72
10	华晨汽车	34.73	安徽江淮	26.48	长城汽车	7.60
十家企业合计		759.77	598.88		200.04	
中国品牌企业合计		953.21	707.18		246.03	
占中国品牌比重		79.71	84.69		81.31	

注：以上企业数据均按集团口径统计。

# China – New Energy Vehicles

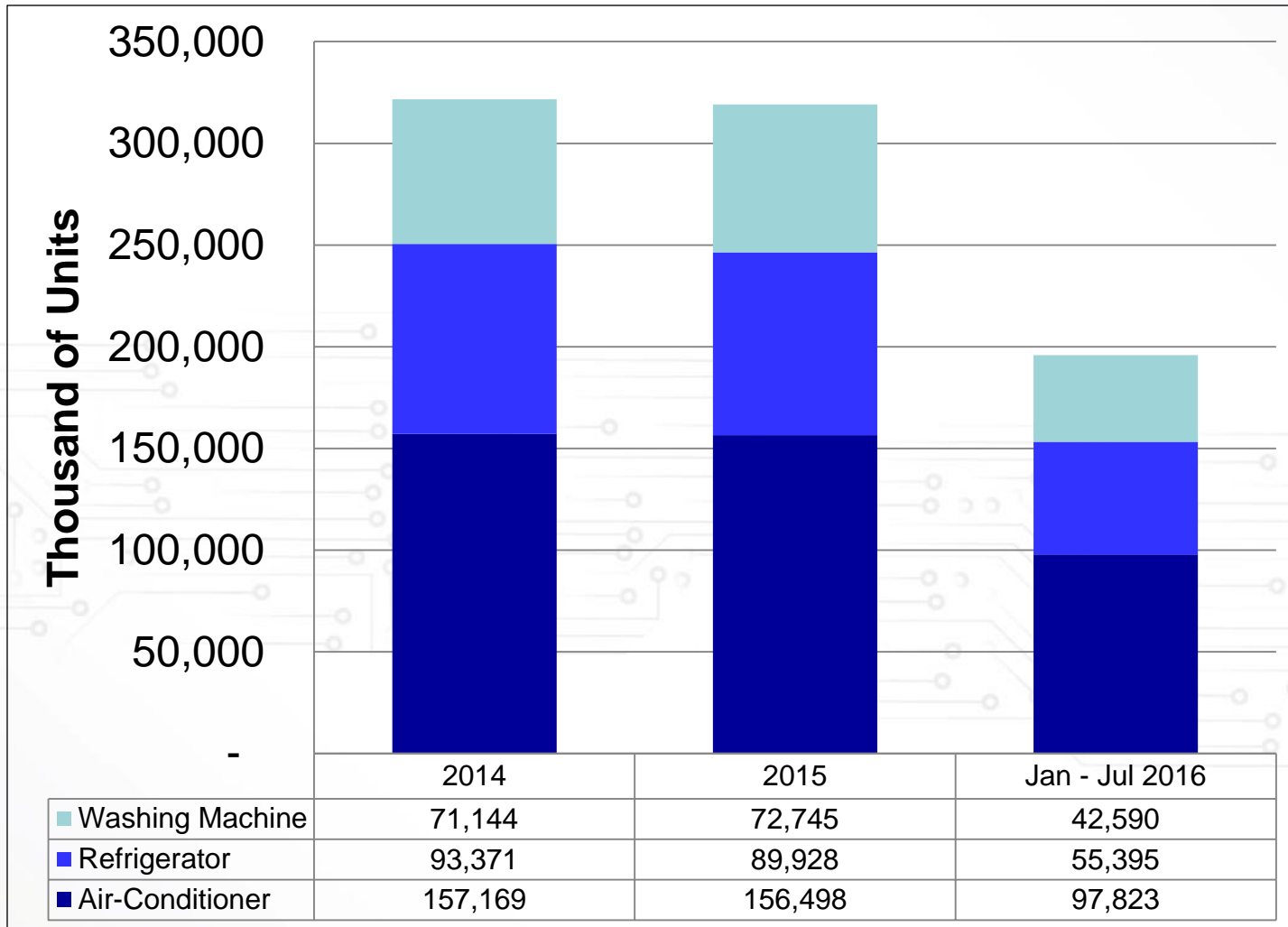
- New energy vehicles kept a high-speed growth for 1H of 2016.
- According to CAAM, for the first half of 2016, the production and sales of new energy vehicles reached 177,000 units and 170,000 units respectively, increasing 125.0% and 126.9% year on year.



# Business Review

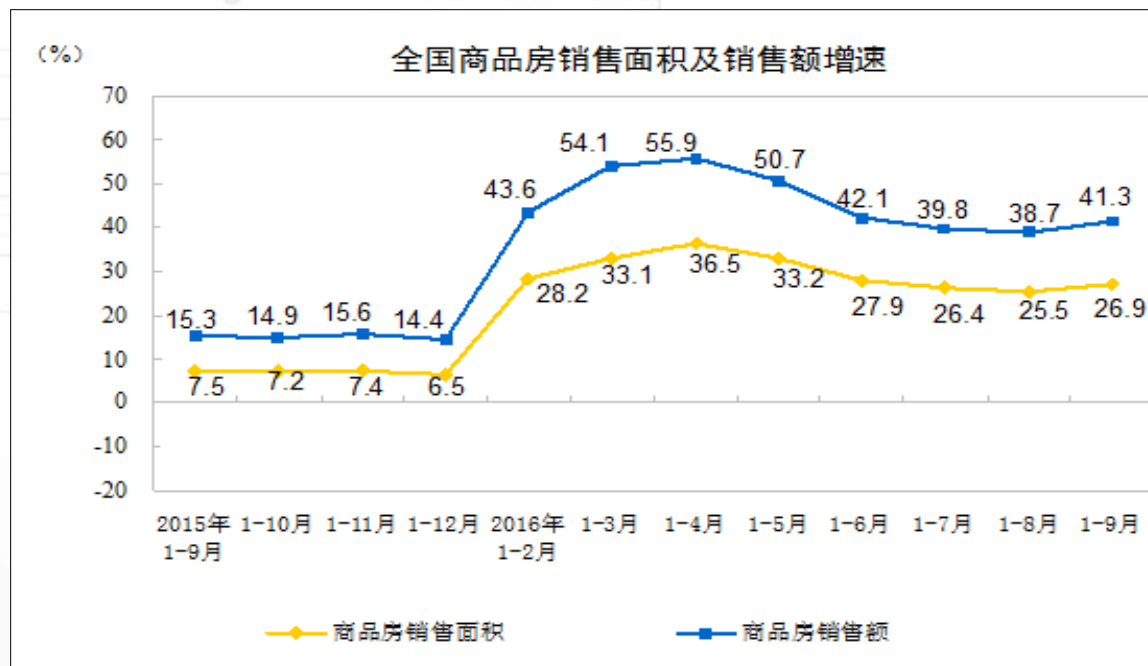
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# China Main Home Appliance Production



[Source: Ministry of Industry and Information Technology, 18Oct2016]

- In the first nine months, the floor space of commercial buildings sold stood at 1,051.85million square meters, a year-on-year increase of 26.9%, and was up by 1.4% points over the first eight months of 2016.
- Of the total, the floor space of residential buildings increased 27.1%, office building increased 33.5%, and buildings for business use increased 19.0%.





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**Thank You !**

