



## **FY2018 Results Briefing**

**June 1, 2018**



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- Business Segment Review
- Snapshot of China Economy
- Update of Automotive and Home Appliance Market in China

## About Us

- Corporate Profile
- Products & Services - Our Principals
- Our Customers
- Investment Merits
- Business Structure

# Corporate Profile



- One of the largest HK-based electronics company involved in the global sourcing and regional distribution of electronics components
- Established in 1981 and listed on the Mainboard of the Singapore Exchange in 2001
- Strong network of offices in the Greater China region
- Successfully achieved a dual primary listing on The Hong Kong Stock Exchange on Dec 6, 2013

# Products & Services

## - Our Principals



# Our Customers



We have a growing pool of **over 3,000 active customers** in Hong Kong, China and Taiwan



# Investment Merits

## Market insight and strong fundamentals

- Leading components distributor with a wide product range for different sectors
- Long-standing and excellent capabilities in sales and engineering
- **Extensive and growing network in China**
- **Stable and well-developed relationships** with suppliers, customers and banks

## Sound management policies

- Strict financial discipline and tight capital management

## Demonstrated resilience

- **Profitable since established in 1981** (except in FY09 and FY16)

## Good dividend payouts and attractive dividend yield

# Business Structure

## Willas-Array Electronics (Holdings) Limited

Greater China

Hong Kong

Northern  
China

Southern  
China

Taiwan

Willas-Array  
Electronics  
(Hong Kong)  
Limited

Array  
Electronics  
(China)  
Limited

Willas-Array  
Electronics  
(Shanghai)  
Limited

Willas-Array  
Electronics  
(Shenzhen)  
Limited

Willas-Array  
Electronics  
(Taiwan)  
Inc.

Shanghai  
Beijing  
Qingdao  
Chengdu  
Chongqing

Shenzhen  
Guangzhou  
Xiamen  
Zhongshan

	Technical	Sales & Marketing	Total
Hong Kong	4	60	150
China	49	183	287
Taiwan	2	11	17
<b>Total Staff</b>	<b>55</b>	<b>254</b>	<b>454</b>

As of March 31, 2018





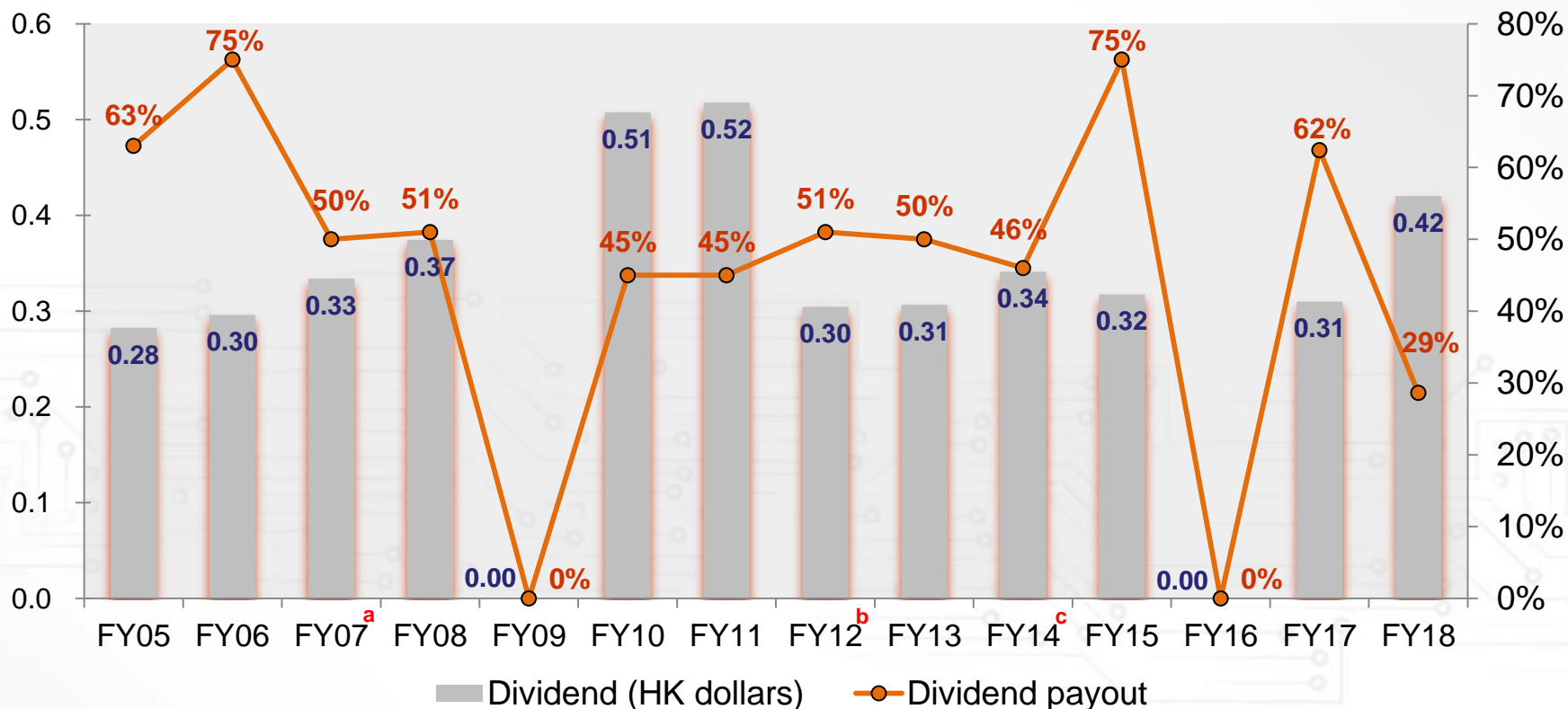
**WILLAS-ARRAY™**  
Willas-Array Electronics (Holdings) Limited  
威雅利電子(集團)有限公司

## FY2018 Results Highlights

# Dividend & Dividend Payout

HK dollars

Dividend Payout



- a** FY07's dividend payout excludes special dividend of 0.08 HK dollars
- b** FY12's dividend payout excludes special dividend of 0.09 HK dollars
- c** FY14's dividend payout excludes the one-off dual listing expenses

**FY05's - FY16's dividend are restated after taking the effect of 5-for-1 share consolidation effective on August 17, 2015.**

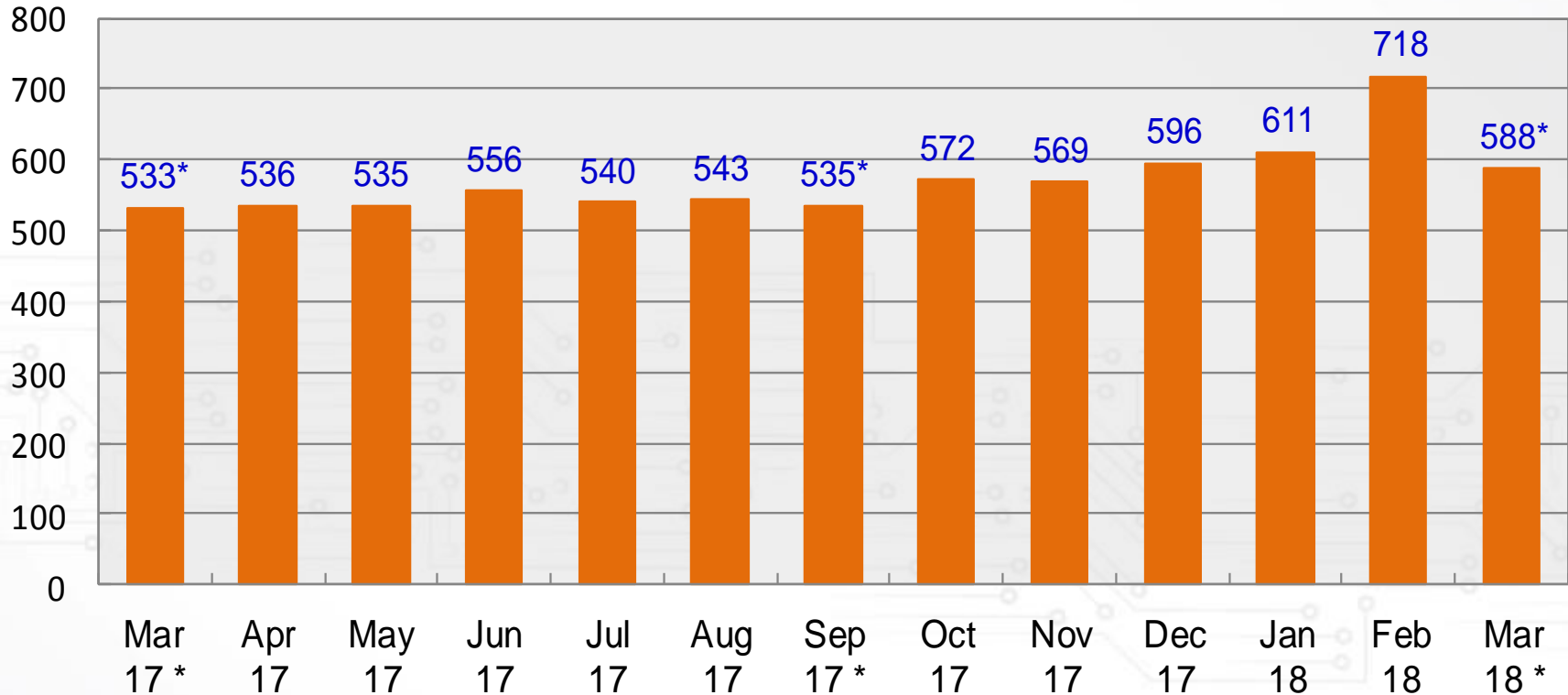
# Profit And Loss

	<b>FY2018 HK\$'M</b>	<b>FY2017 HK\$'M</b>	<b>Inc (Dec) HK\$'M</b>	<b>% Change %</b>
<b>Continuing operations</b>				
Turnover	4,556.4	3,883.1	673.3	17.3%
<b>EBITDA</b>	173.6	84.4	89.2	105.5%
Depreciation & Amortization	(10.8)	(11.7)	0.9	-8.0%
Finance costs	(30.8)	(24.5)	(6.3)	25.9%
<b>Profit before tax</b>	132.0	48.2	83.8	173.6%
Income tax expense	(20.0)	(9.4)	(10.6)	113.2%
<b>Profit after tax from continuing operations</b>	112.0	38.8	73.2	188.2%
<b>Discontinued operations</b>				
Loss after tax from discontinued operations	0.0	(1.8)	1.8	NM
<b>Profit after tax</b>	112.0	37.0	75.0	202.6%
Non-controlling interests	0.0	0.5	(0.5)	NM
<b>Profit attributable to shareholders</b>	112.0	37.5	74.5	198.4%
EPS (HK dollars)	1.47	0.50	0.97	194.0%

*NM : Not meaningful*

# Inventory Level

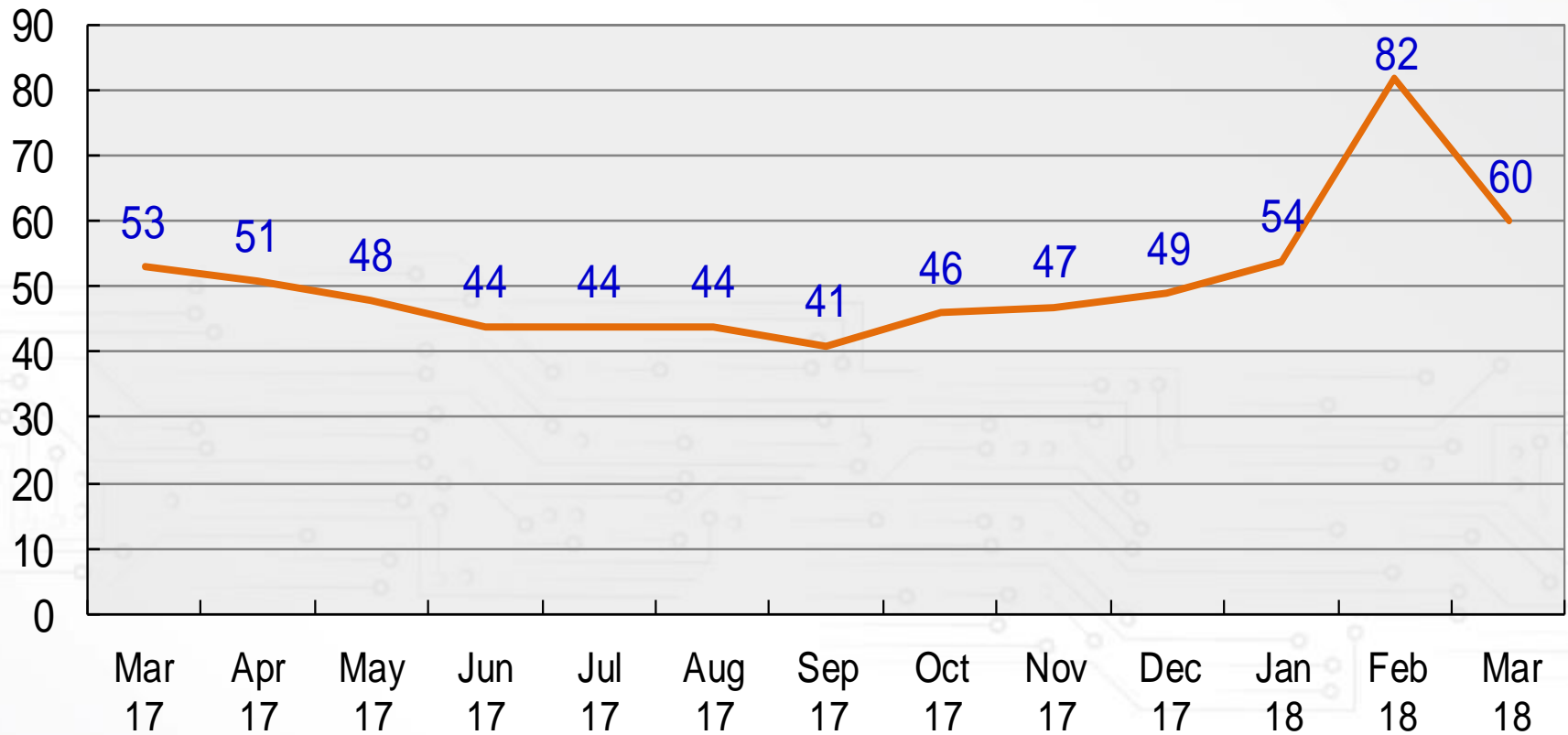
In HK\$'M



\* Excluding Goods-in-Transit

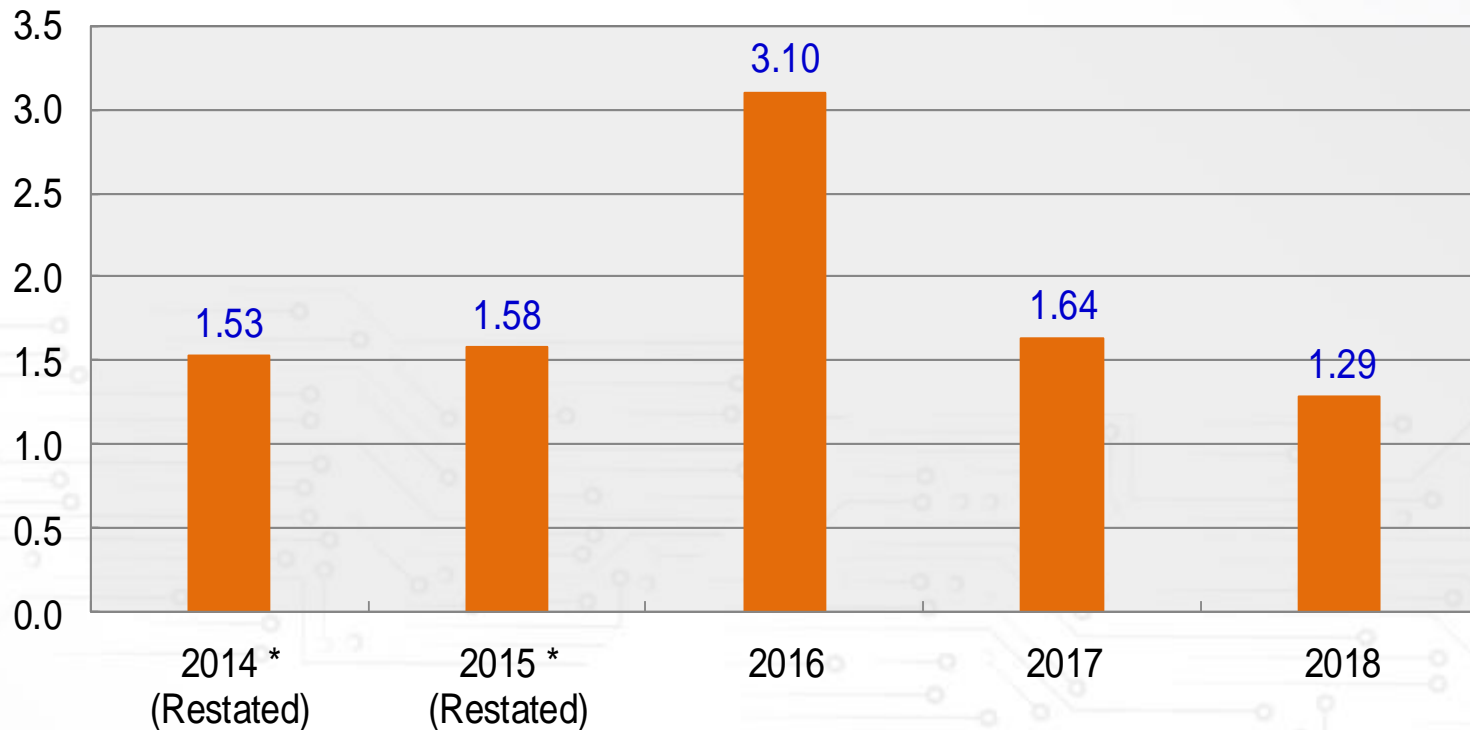
# Inventory Turnover Ratio

No. of days



# Net Cash Per Share

HK Dollars



Net Cash: Cash and bank balances less bank borrowings

- \* 2014 and 2015's figures are restated after taking the effect of 5-for-1 share consolidation effective on August 17, 2015.





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威雅利電子(集團)有限公司

# Business Review



## Business Review

- Business Segment Review
- Snapshot of China Economy
- Update of Automotive and Home Appliance Market in China

# Business Review

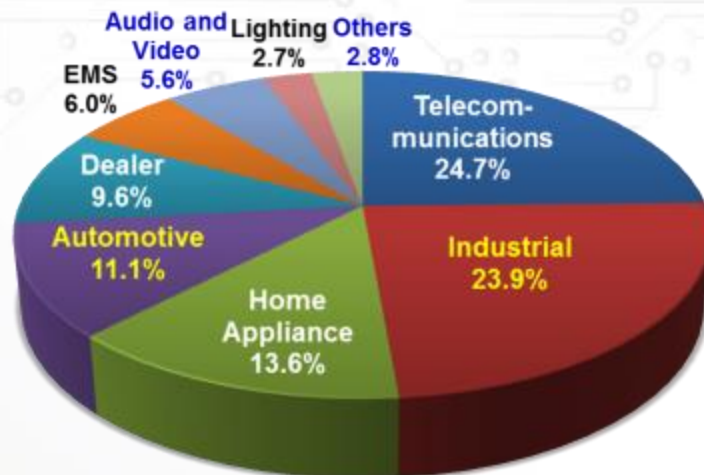
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# Business Segment Review

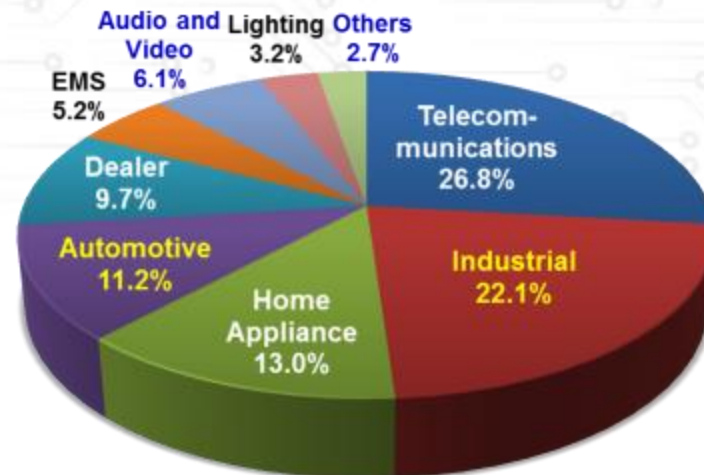
(in HK\$'000)

	FY2018		FY2017		Increase (Decrease)	
		%		%		%
<b>Turnover</b>						
Telecommunications	1,124,965	24.7%	1,041,889	26.8%	83,076	8.0%
Industrial	1,089,557	23.9%	859,543	22.1%	230,014	26.8%
Home Appliance	619,743	13.6%	506,182	13.0%	113,561	22.4%
Automotive	507,134	11.1%	433,383	11.2%	73,751	17.0%
Dealer	437,191	9.6%	376,447	9.7%	60,744	16.1%
EMS	271,777	6.0%	201,326	5.2%	70,451	35.0%
Audio and Video	256,528	5.6%	236,765	6.1%	19,763	8.3%
Lighting	122,444	2.7%	122,732	3.2%	(288)	-0.2%
Others	127,051	2.8%	104,873	2.7%	22,178	21.1%
	<b>4,556,390</b>	<b>100.0%</b>	<b>3,883,140</b>	<b>100.0%</b>	<b>673,250</b>	<b>17.3%</b>

Segmental Analysis for FY2018



Segmental Analysis for FY2017



EMS: Electronic Manufacturing Services

# Business Review

- Business Segment Review
- **Snapshot of China Economy**
- Update of Automotive and Home Appliance Market in China

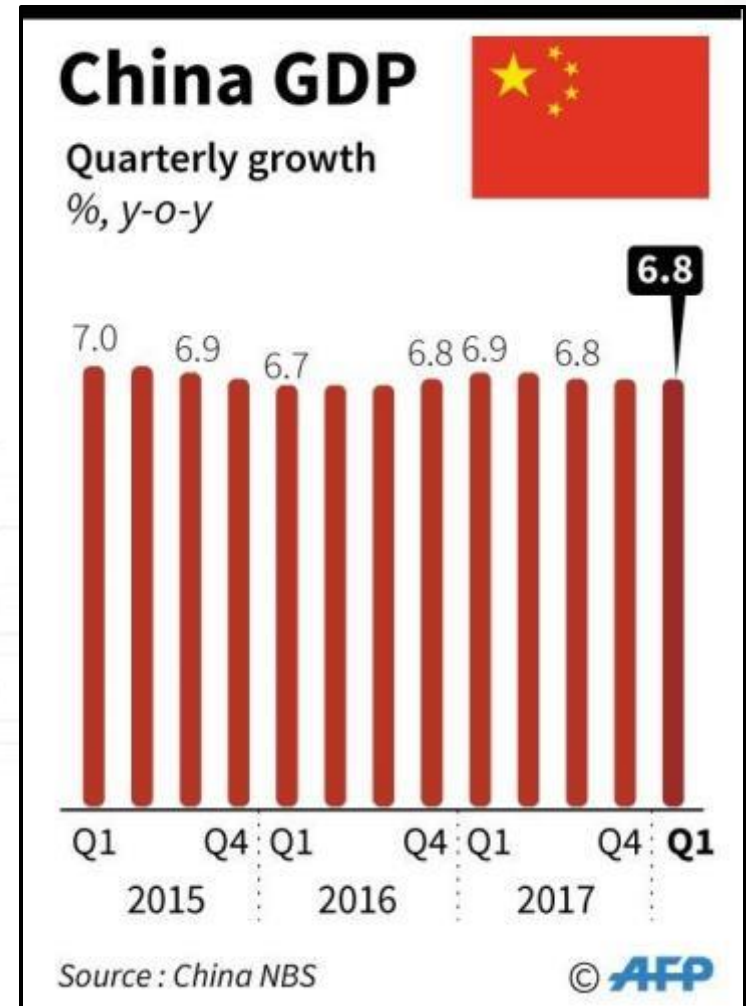
# China Economy GDP :2017 & Q1/2018

## 2017

- China's year-on-year GDP growth reached 6.9% in 2017, exceeding previous forecasts of around 6.5% and up from 6.7% in 2016, the fastest since 2015.

## Q1/2018

- China 2018 Q1 GDP grows 6.8% year-on-year. GDP reached 19.88 trillion yuan (about US\$3.2 trillion), and IMF has put its growth forecast for the country at 6.6%





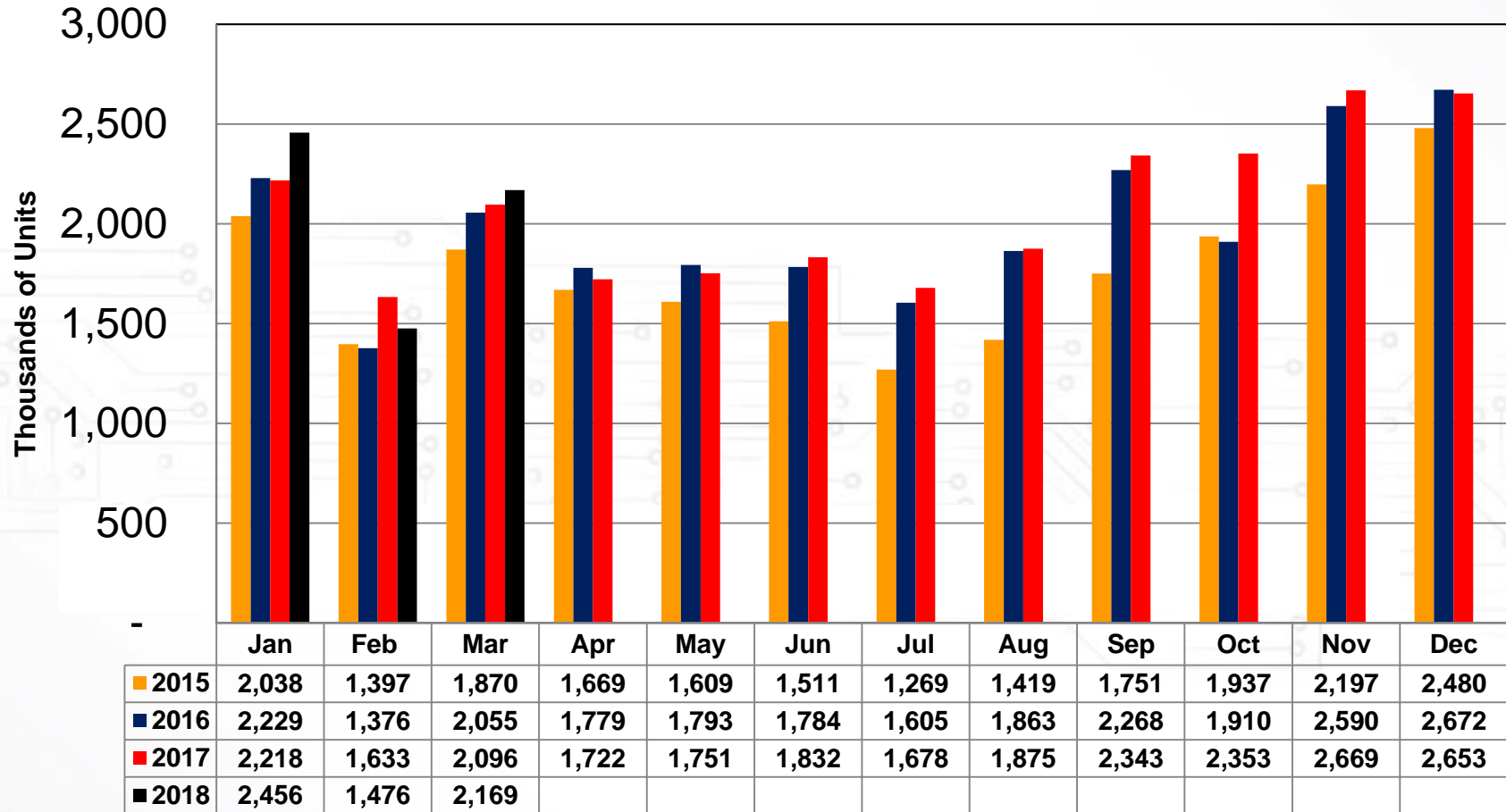
# Business Review

- Business Segment Review
- Snapshot of China Economy
- **Update of Automotive and Home Appliance Market in China**

# China Passenger Vehicle Sales

## 2015-2017 & Q1/2018

### China Passenger Vehicle Sales

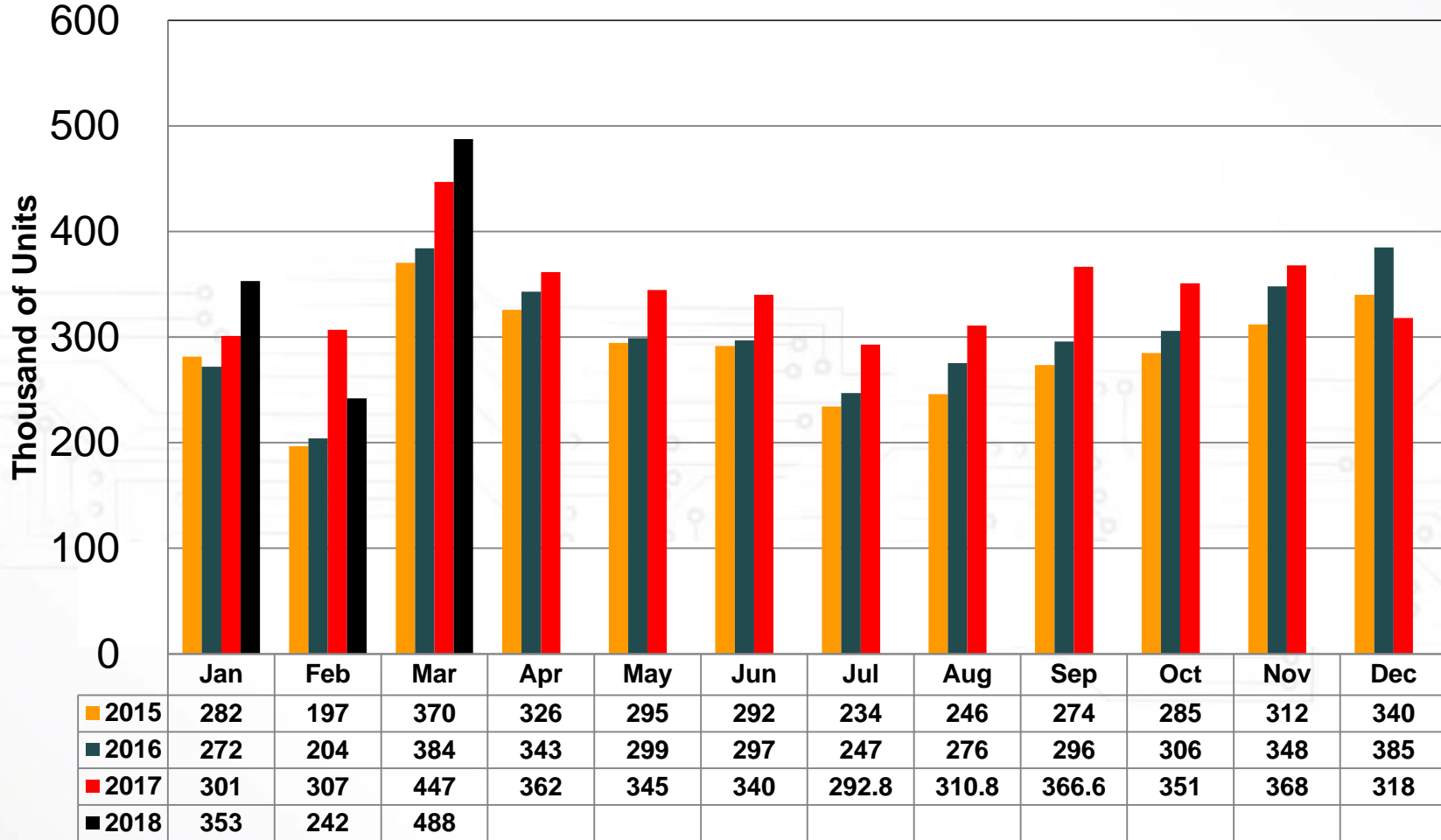


2015 Total : 21,146,900  
 2016 Total : 23,923,900  
 2017 Total : 24,824,000

Q1/2018 : 6,101,000

# China Commercial Vehicle Sales 2015-2017 & Q1/2018

## China Commercial Vehicle Sales

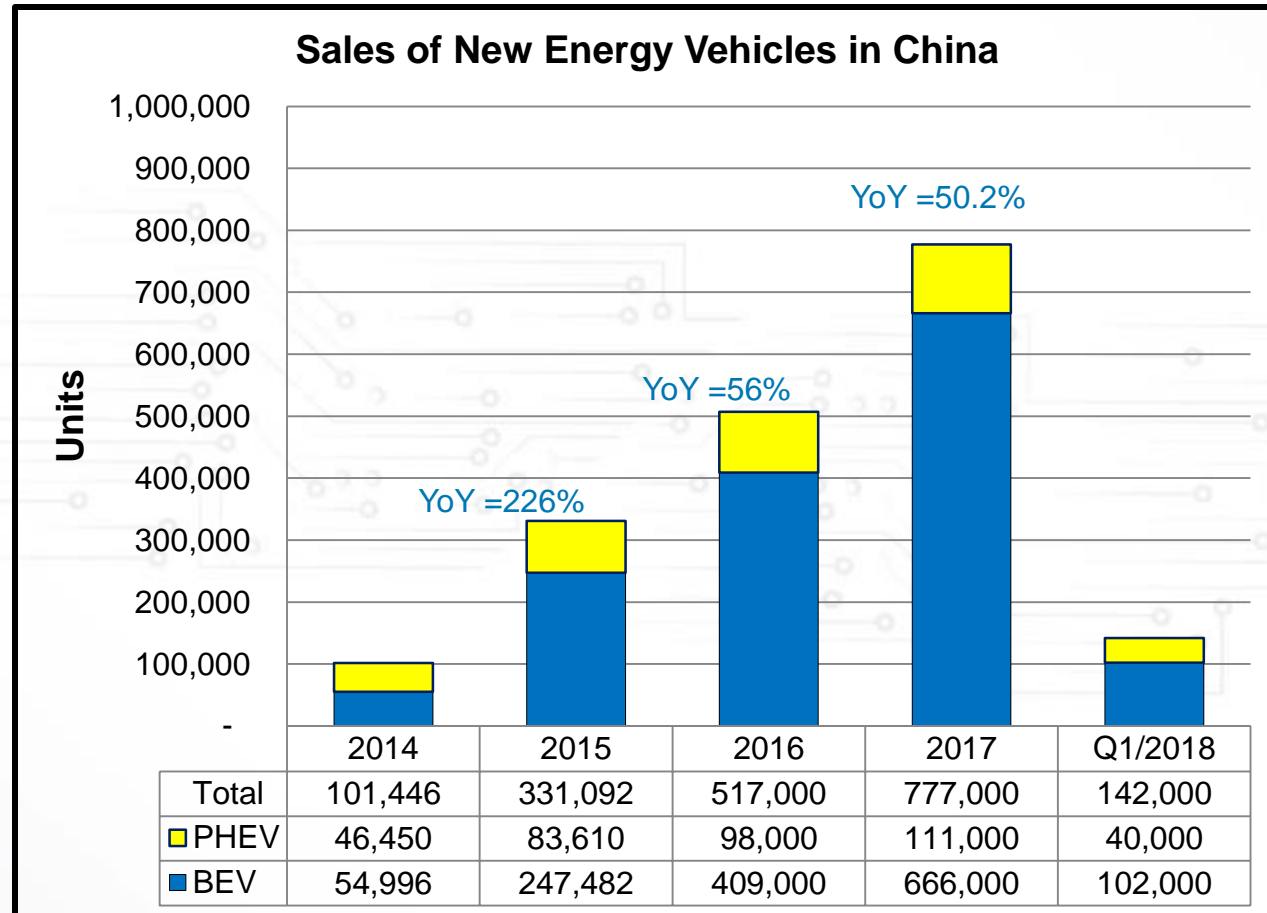


2015 Total : 3,451,300  
2016 Total : 3,565,300  
2017 Total : 4,108,700

Q1/2018 : 1,082,700

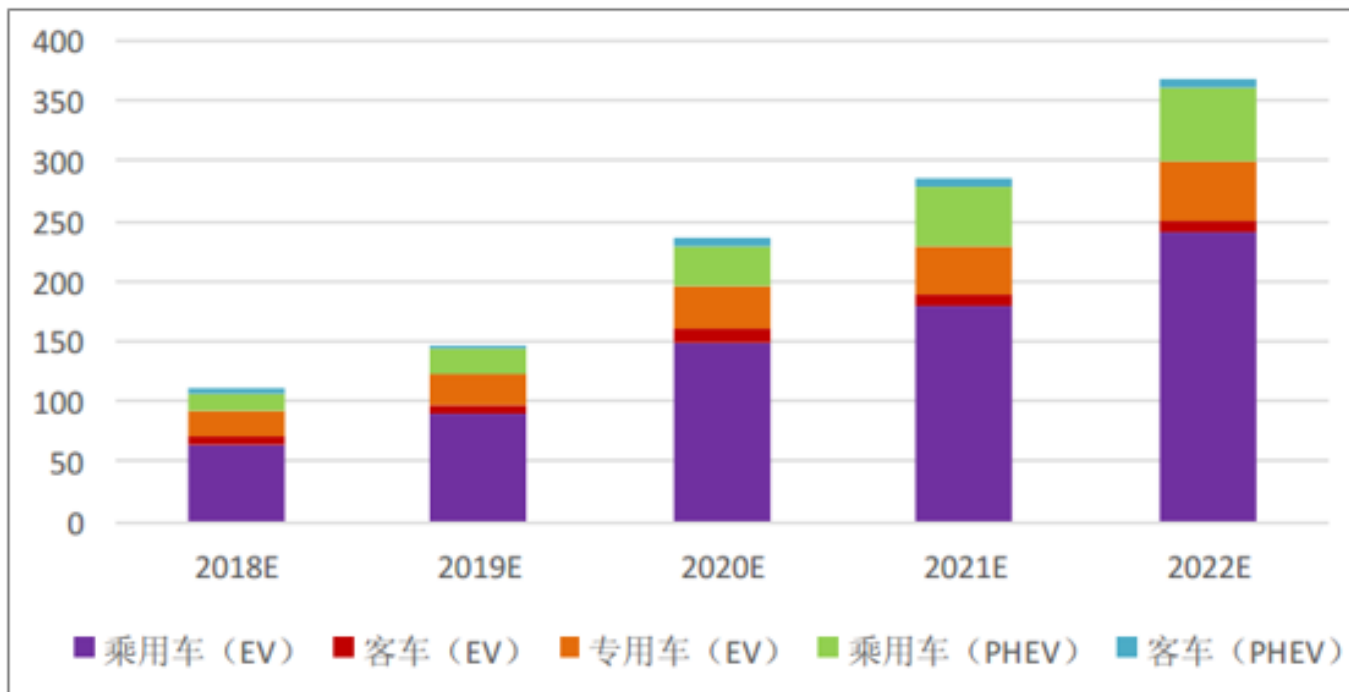
# China – New Energy Vehicles

- New energy vehicles kept a high-speed growth since 2015

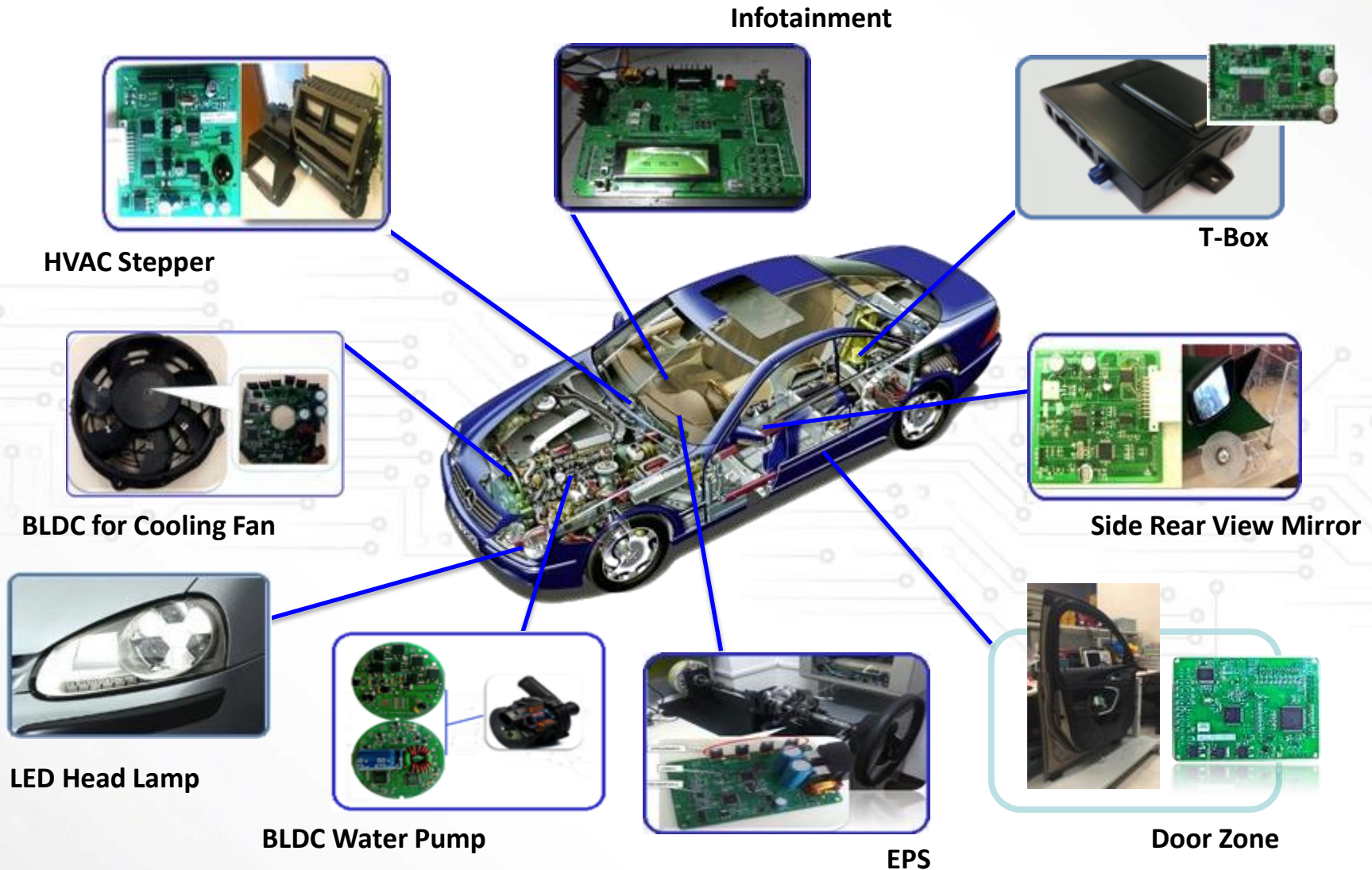


# China – New Energy Vehicles 2018-2022

- 2018-2022 China's new energy output forecast (10 thousand units)  
2018-2022中国新能源产量预测（单位：万台）



# Focus Automotive Application – Traditional Car





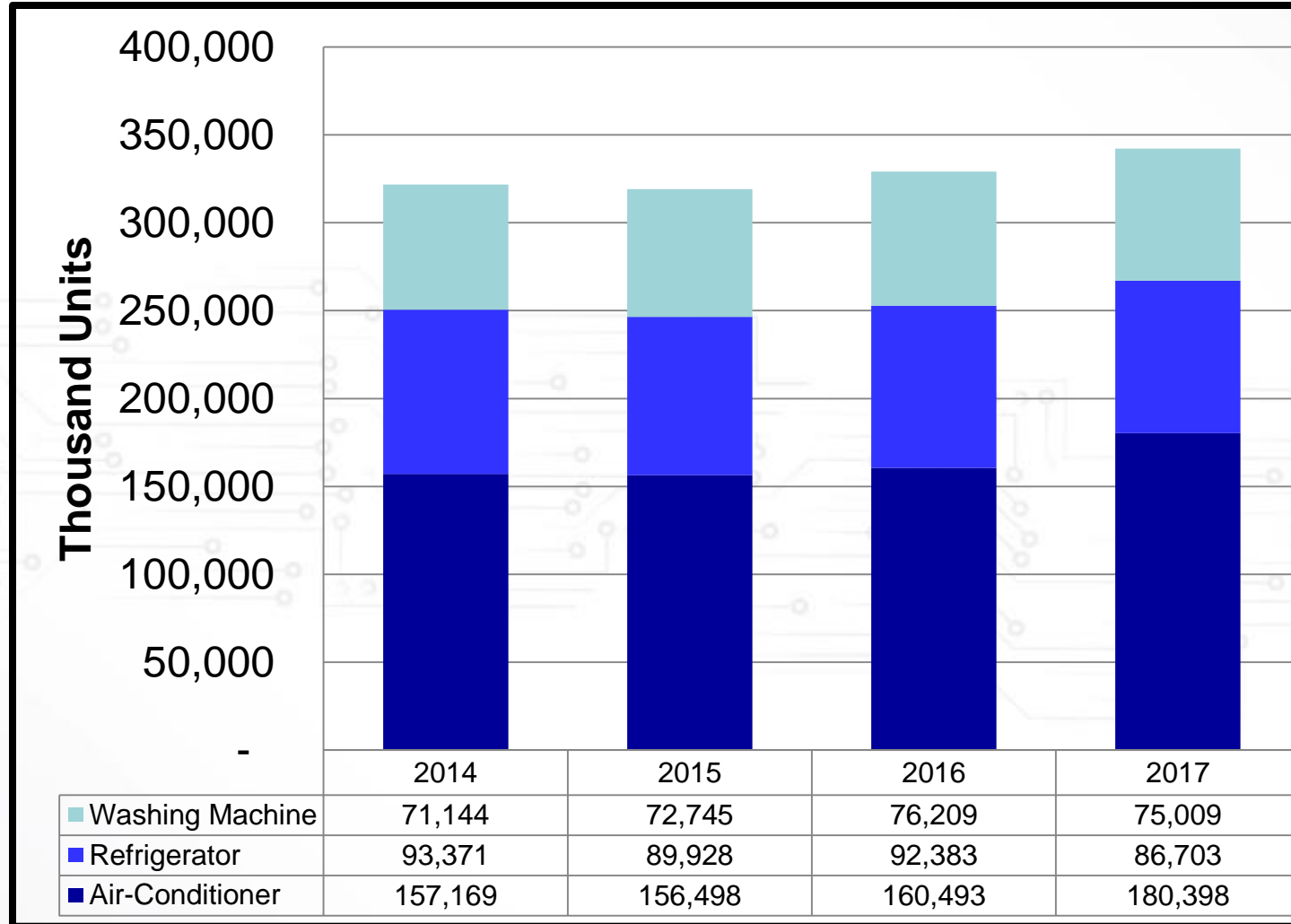
# Focus Automotive Application – New Energy Car

## New in EV-CAR

- Battery Cells 、 Battery Package 、 BMS
- Motor 、 Motor Controller
- EV-Powertrain
- TCU (Transmission Control Unit)
- VCU (Vehicle Control Unit)
- OBC (On-Board Charger)
- E-compressor, HVAC
- IoV (Internet of Vehicle)



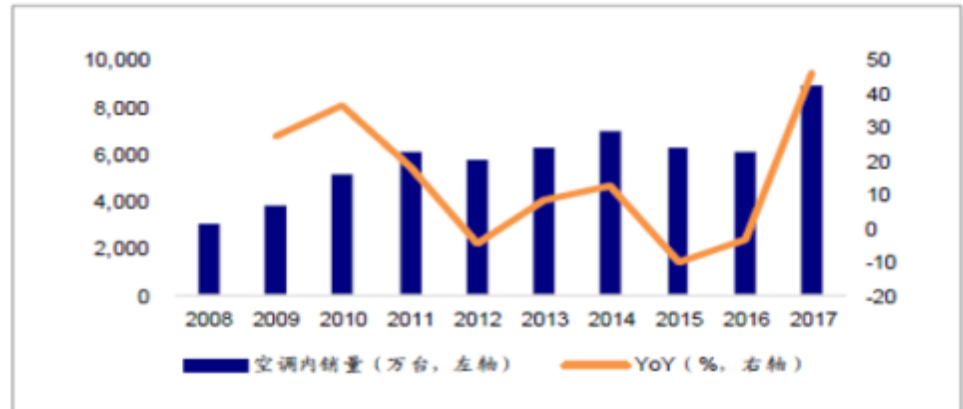
# China Main Home Appliance Production



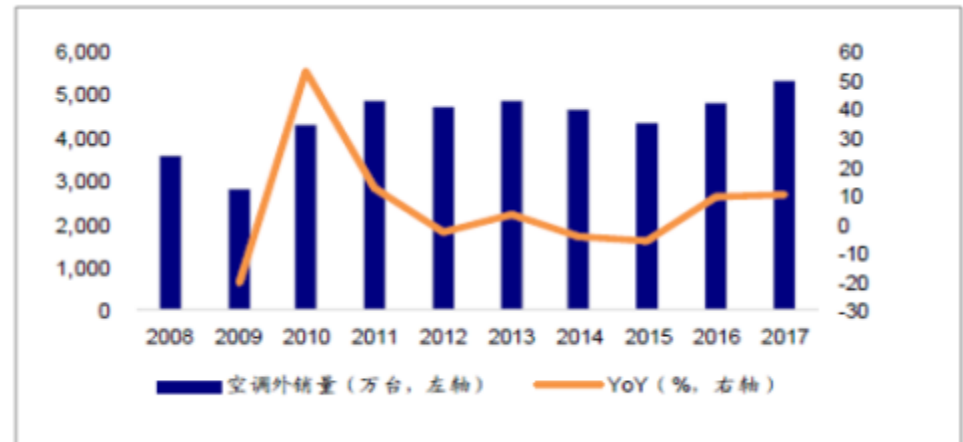
# China Air-conditioner Sales

- 2017 China Air-conditioner annual domestic sales exceeded expectations.
- The air conditioner industry sold 141.7 million units in 2017, up 31% year-on-year.
- The total domestic sales volume was 88.75 million, an increase of 47% over the same period, and the export volume of 52.95 million units, an increase of 11% over the same period last year.
- The air conditioner export market has maintained a steady growth of more than 10% for two consecutive years.

2008-2017 年空调内销量及增速



2008-2017 年空调外销量及增速



# China Refrigerator Sales

- In 2017, the total sales of household refrigerators was 75.07 million, an increase of 1.2% over the same period last year.
- The annual domestic shipments of 44.8 million units, down 5.3% compared to the same period, and export shipments of 30.27 million units, an increase of 12.7% over the same period.
- The sluggish domestic demand is still a major drag on refrigerator sales.

2008-2017 年冰箱内销量及增速



2008-2017 年冰箱外销量及增速



# China Washing Machine Sales

- The sales of household washing machine continued to grow steadily in 2017, with a total sales volume of 64.07 million, a year-on-year increase of 7.7%
- 44.14 million in domestic sales, 7.3% increase year-on-year, 19.93 million in export, 8.6% increase over the same period.
- Over the past two years, the steady growth of sales volume has been mainly driven by the upgrading of product structure: that is, the substitution of drum washing machines for wave washing machines.

2008-2017 年洗衣机内销量及增速

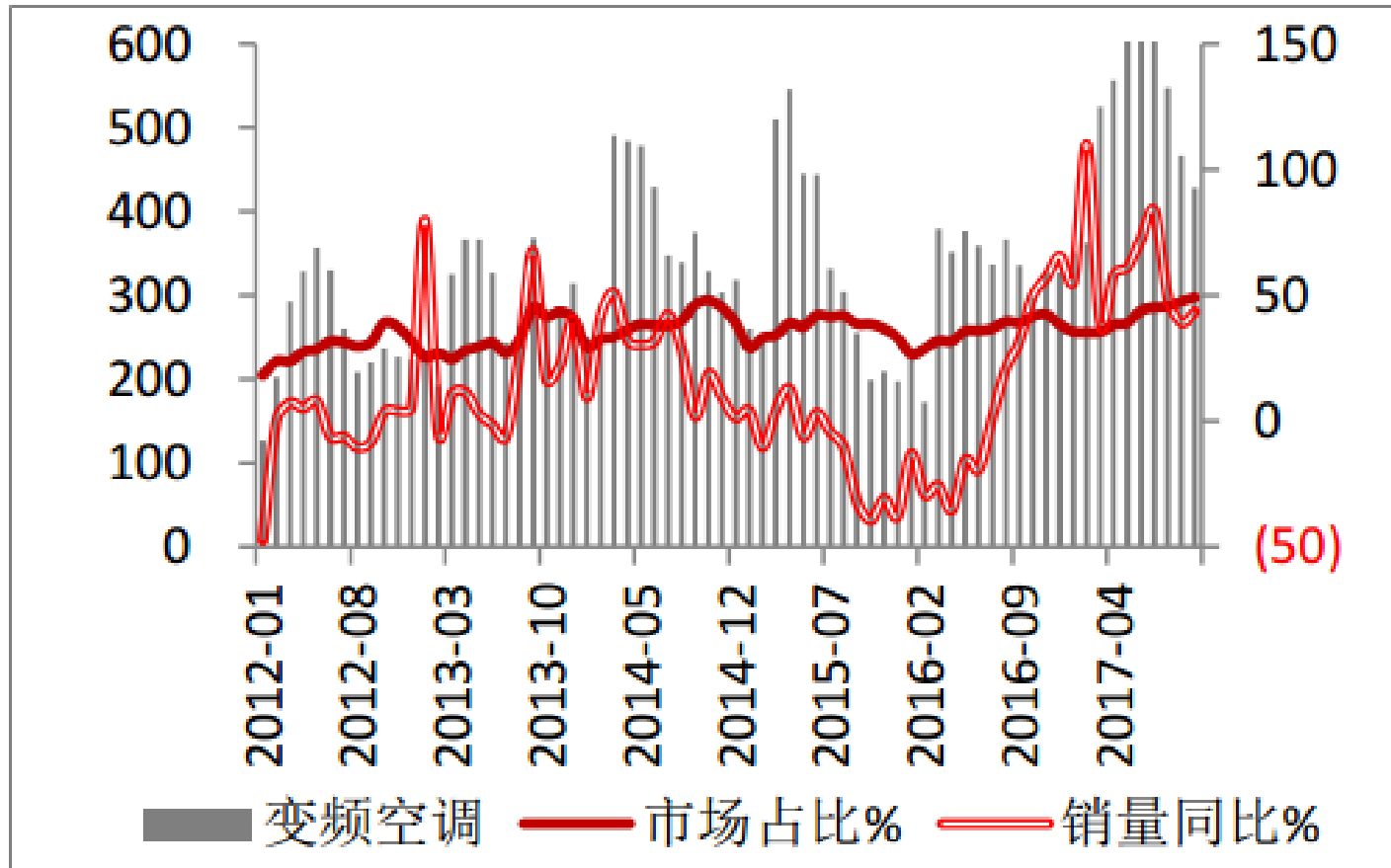


2008-2017 年洗衣机外销量及增速



# China Air-Conditioner-Inverter Type

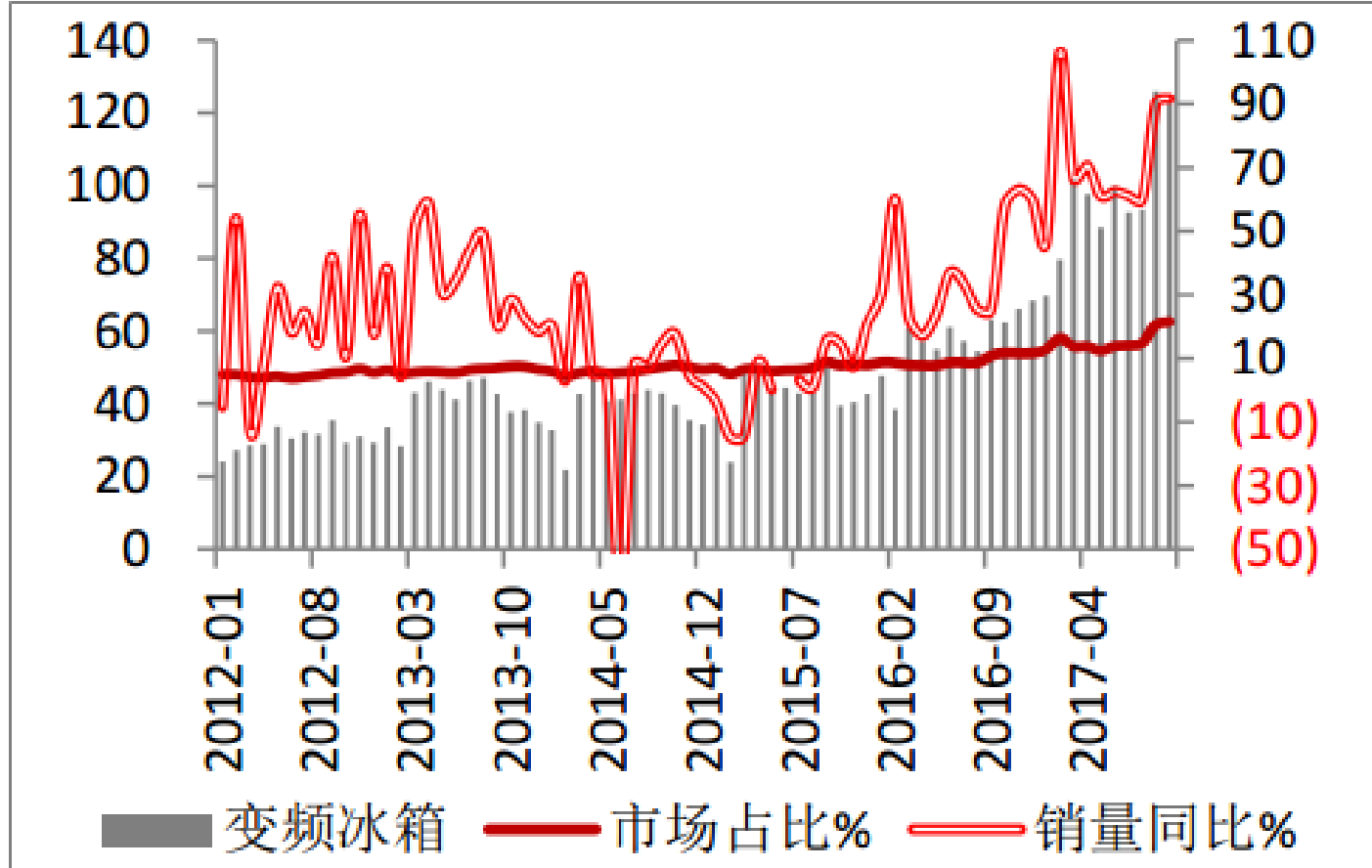
变频空调销量增速及占比增加 (万台)





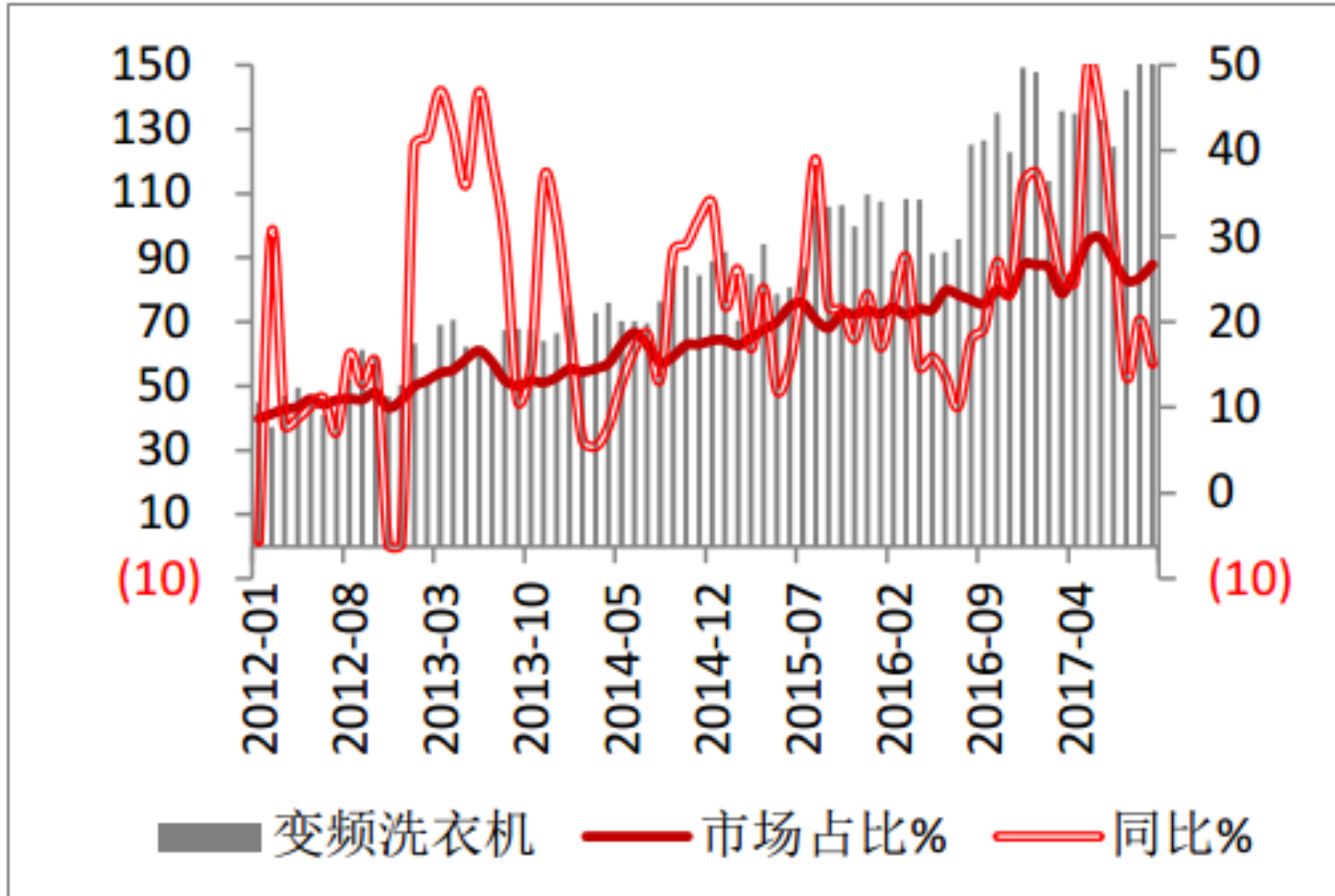
# China Refrigerator-Inverter Type

变频冰箱销量增速及占比增加（万台）



# China Washing Machine-Inverter Type

变频洗衣机销量增速持续增加（万台）



# China Home Appliance-Inverter Type

- The proportion of high-end and intelligent products has gradually increased. Besides upgrading in terms of price, the upgrading of household appliances has also undergone structural reforms, and the market share of high-end products has gradually increased.
- From the sales data, we can see that the market share of the high value-added inverter-type air conditioner and inverter-type washing machine has been promoted continuously.

# Focus Home Appliance Application

TV SMPS



Wireless Charge



Refrigerator  
SMPS + Inverter



Sweeping Robot



Air Conditioning



LED Light



Washing Machine



Air Purifier



Ceiling Fan



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**Thank you!**