



**Interim Results Briefing  
First 6 Months  
Ended 30 Sep 2019**

**Date: 19 Nov 2019**



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- Results Highlights
- Business Review



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

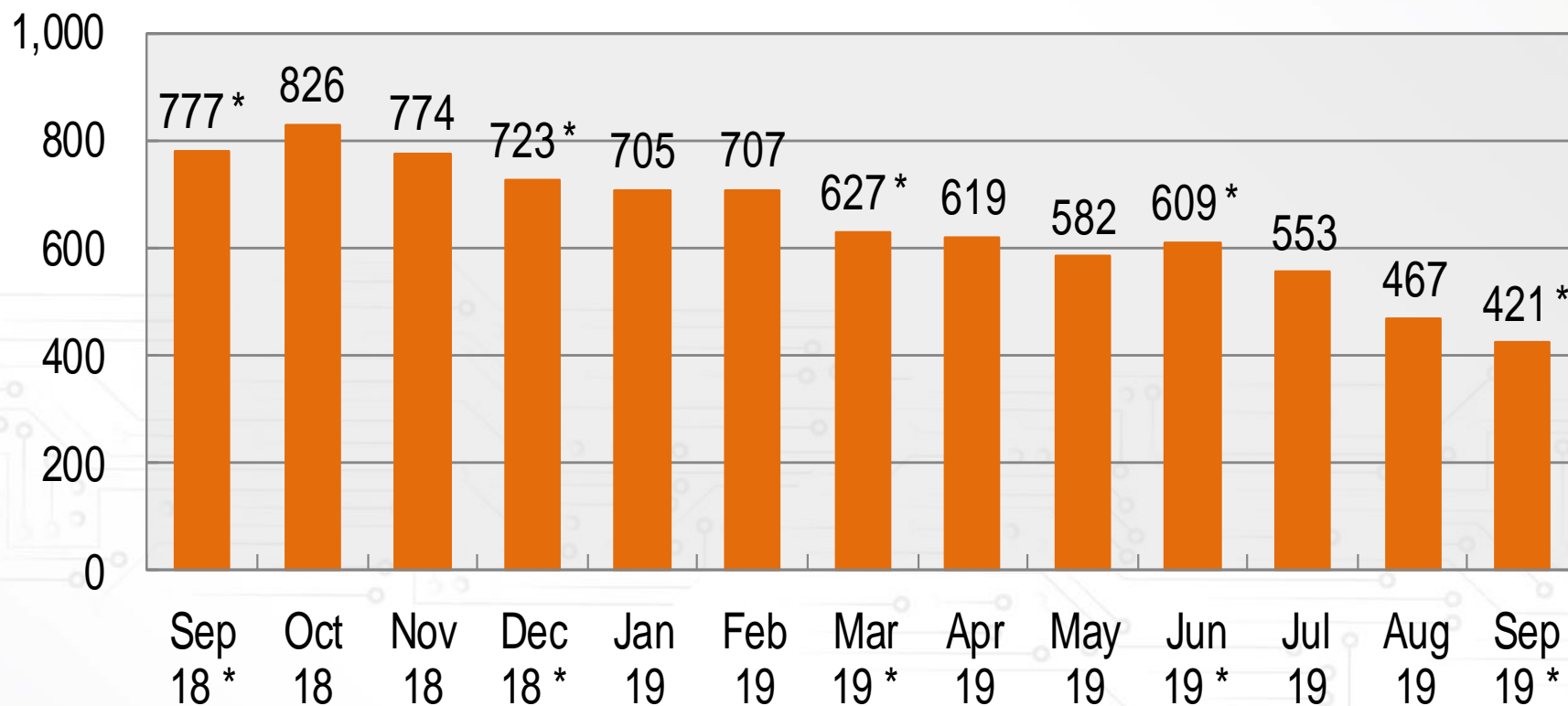
# Results Highlights

# Profit And Loss

	1H FY 20 HK\$'M	1H FY 19 HK\$'M	Difference HK\$'M	% Change %
Turnover	1,672.4	2,154.8	(482.4)	-22.4%
<b>(LBITDA) EBITDA</b>	(29.1)	42.4	(71.5)	-168.5%
Depreciation & Amortization	(7.1)	(6.4)	(0.7)	+10.9%
Finance costs	(19.3)	(21.9)	2.6	-11.7%
<b>(Loss) profit before tax</b>	(55.5)	14.1	(69.6)	NM
Income tax expense	(0.3)	(7.4)	7.1	-96.5%
<b>(Loss) profit after tax</b>	(55.8)	6.7	(62.5)	NM
<b>(LPS) EPS (HK cents)</b>	(65.51)	7.97	(73.48)	NM

# Inventory Level

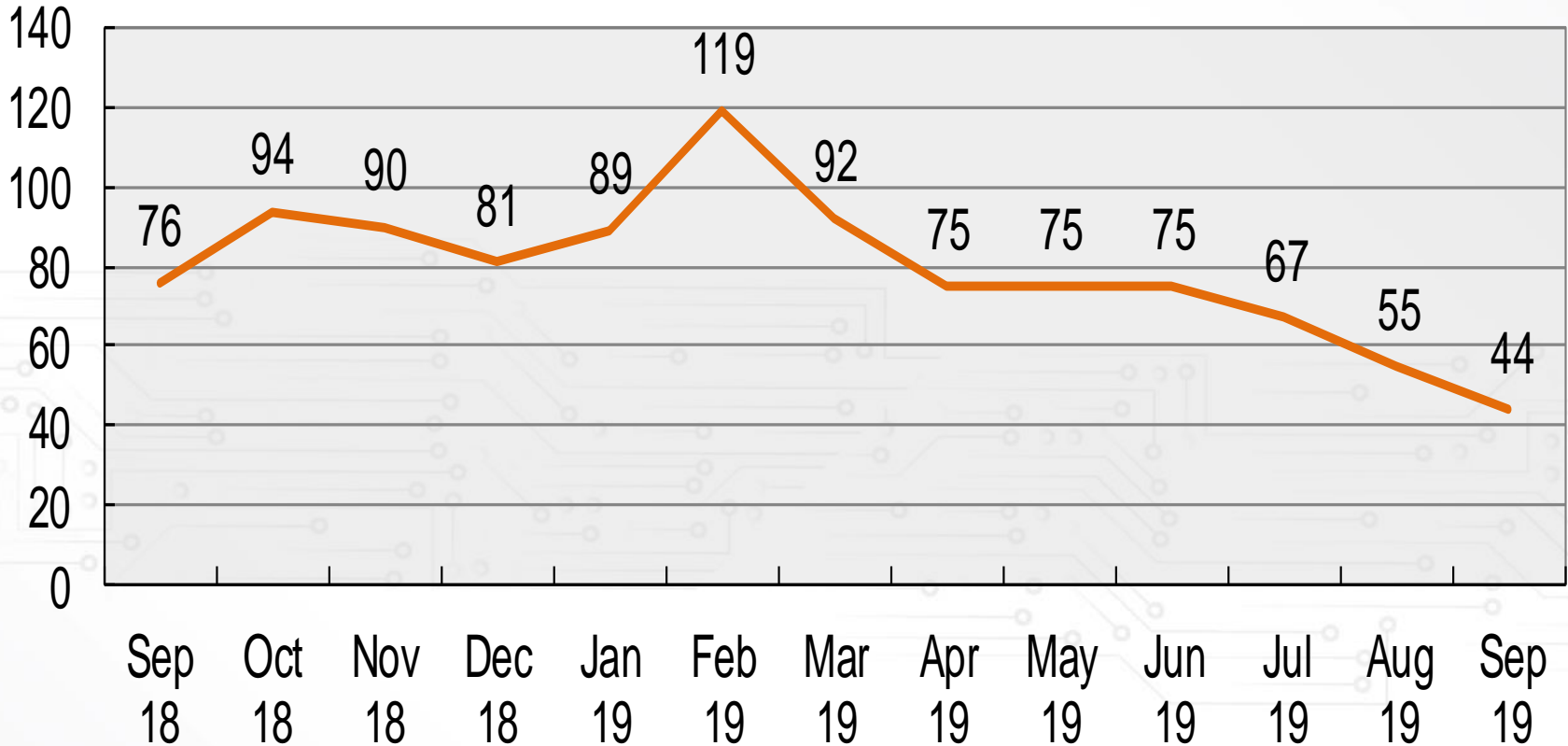
In HK\$'M



\* Excluding Goods-in-Transit

# Inventory Turnover Ratio

No. of days





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# Business Review



# Business Review

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

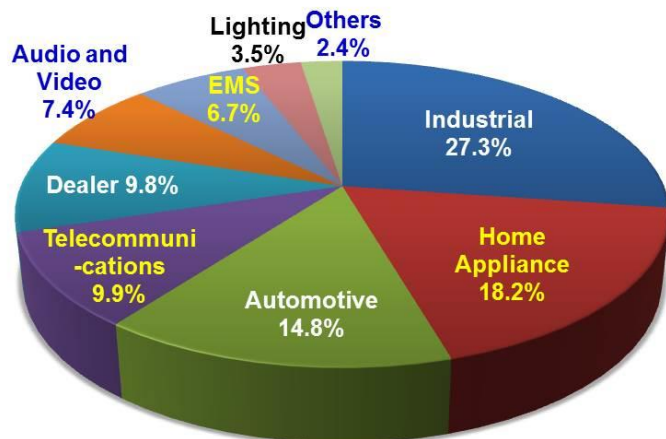


# Market Segment Review

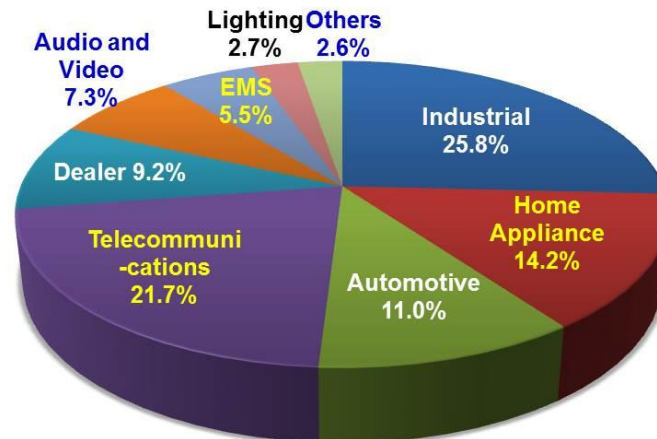
(in HK\$'000)

	1H FY2020		1H FY2019		Increase (Decrease)	
Turnover		%		%		%
Industrial	455,886	27.3%	555,841	25.8%	(99,955)	(18.0%)
Home Appliance	304,768	18.2%	306,216	14.2%	(1,448)	(0.5%)
Automotive	247,827	14.8%	236,248	11.0%	11,579	4.9%
Telecommunications	165,950	9.9%	466,573	21.7%	(300,623)	(64.4%)
Dealer	164,196	9.8%	198,842	9.2%	(34,646)	(17.4%)
Audio and Video	123,499	7.4%	156,676	7.3%	(33,177)	(21.2%)
EMS	111,591	6.7%	118,513	5.5%	(6,922)	(5.8%)
Lighting	57,720	3.5%	59,228	2.7%	(1,508)	(2.5%)
Others	40,970	2.4%	56,688	2.6%	(15,718)	(27.7%)
	<b>1,672,407</b>	<b>100.0%</b>	<b>2,154,825</b>	<b>100.0%</b>	<b>(482,418)</b>	<b>(22.4%)</b>

Segmental Analysis 1H FY2020



Segmental Analysis 1H FY2019

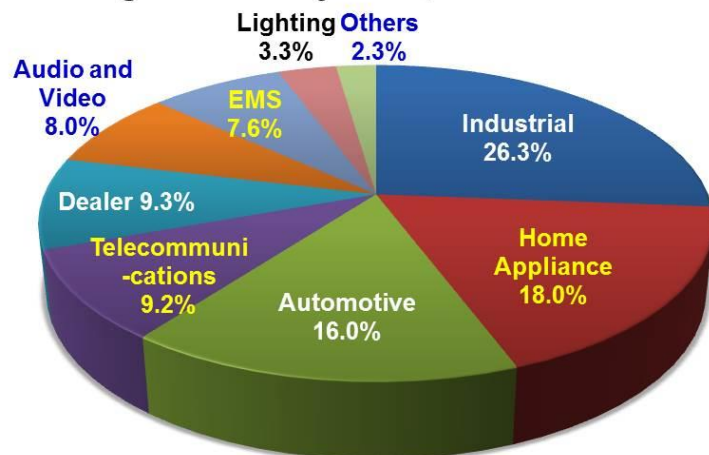


# Market Segment Review

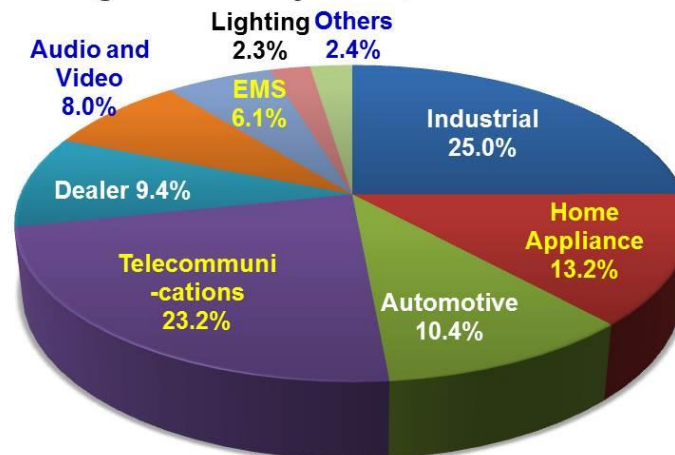
(in HK\$'000)

	2Q FY2020		2Q FY2019		Increase (Decrease)	
Turnover		%		%		%
Industrial	231,097	26.3%	264,747	25.0%	(33,650)	(12.7%)
Home Appliance	158,576	18.0%	140,140	13.2%	18,436	13.2%
Automotive	140,918	16.0%	109,801	10.4%	31,117	28.3%
Telecommunications	80,824	9.2%	245,778	23.2%	(164,954)	(67.1%)
Dealer	82,275	9.3%	99,982	9.4%	(17,707)	(17.7%)
Audio and Video	69,965	8.0%	85,178	8.0%	(15,213)	(17.9%)
EMS	67,089	7.6%	64,608	6.1%	2,481	3.8%
Lighting	29,305	3.3%	24,642	2.3%	4,663	18.9%
Others	20,133	2.3%	25,538	2.4%	(5,405)	(21.2%)
	880,182	100.0%	1,060,414	100.0%	(180,232)	(17.0%)

Segmental Analysis 2Q FY2020



Segmental Analysis 2Q FY2019



# Business Review

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

# China Economy GDP : 2017 to Q3/2019

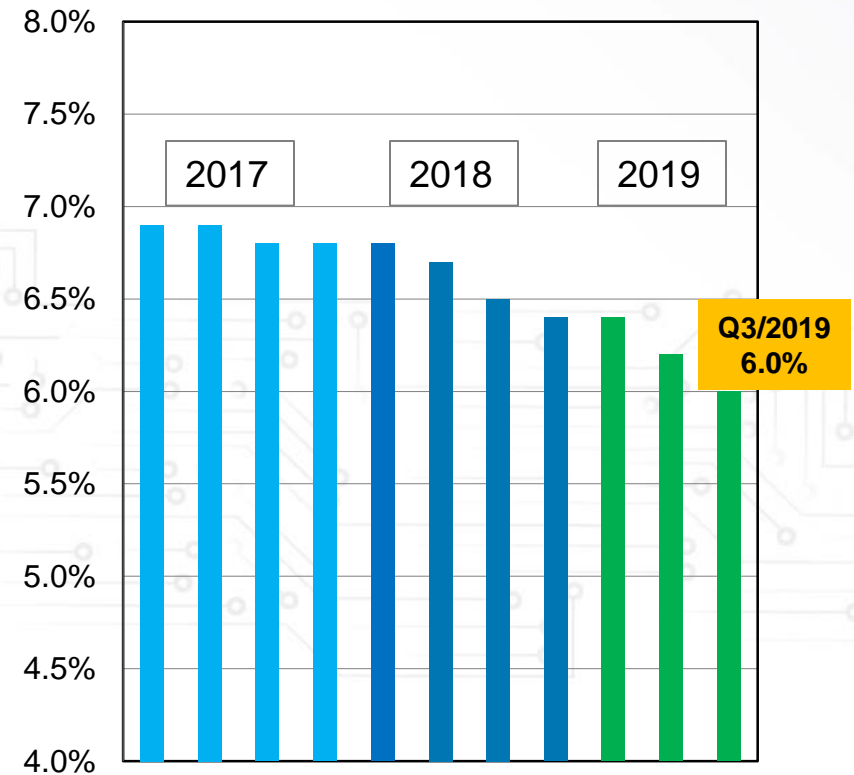
## 2019

- China's economy grew by 6.0% year-on-year in Q3/2019, versus 6.2% in Q2/2019.
- The country's overall GDP growth reached 6.2% year-on-year in the first three quarters of 2019.
- The Chinese economy maintained overall stability in the first three quarters, but is under mounting downward pressure due to the trade war with the United States.
- The country registered a 5.8% industrial output growth in September, compared with 4.4% in August.

## 2018

- China's year-on-year GDP growth reached 6.6% in 2018, compared with 6.8% in 2017.

**China GDP Quarterly Growth % y-o-y**

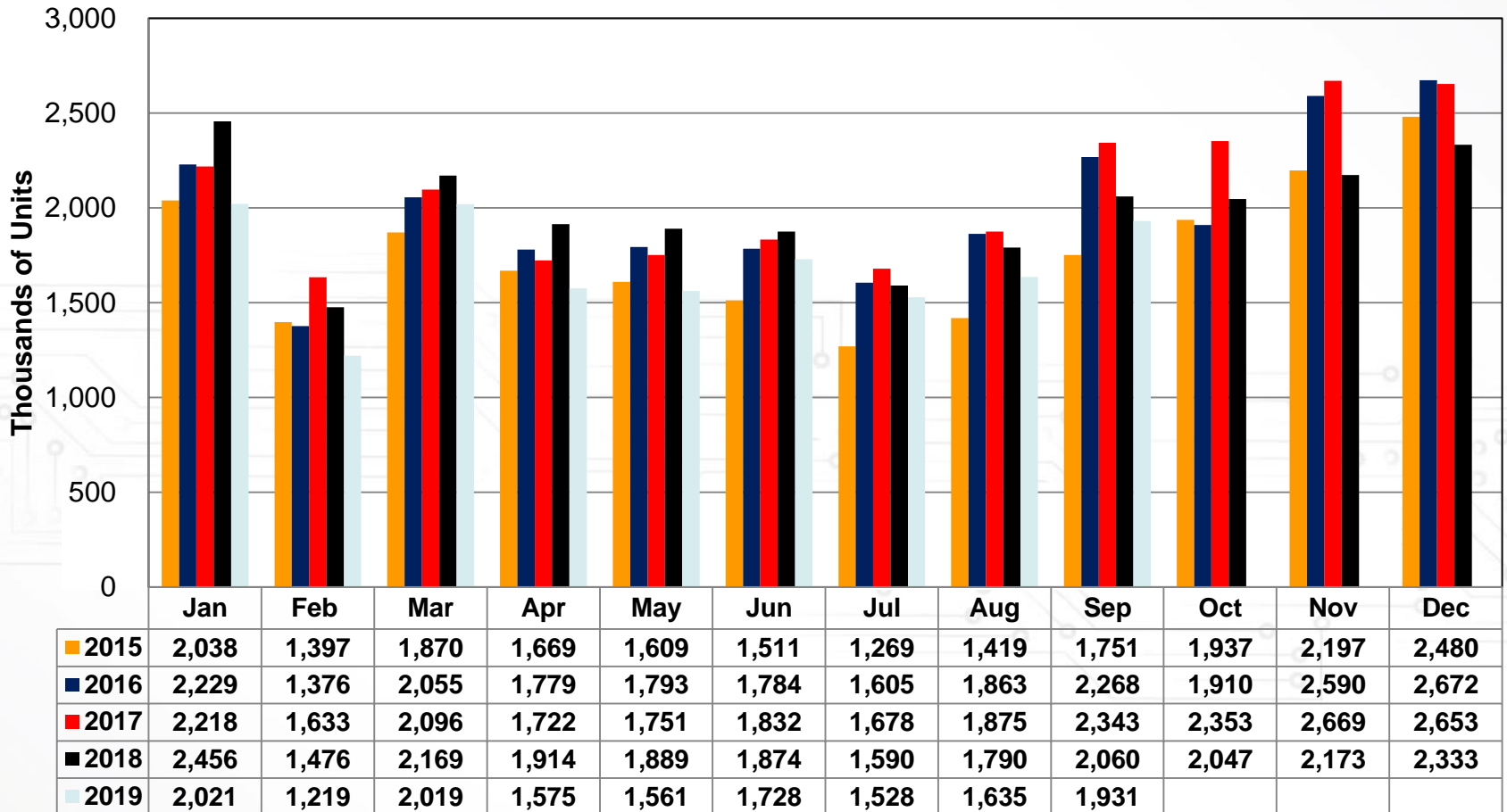


# Business Review

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

# China Passenger Vehicle Sales 2015-2018 & Q1-Q3/2019

## China Passenger Vehicle Sales



2015 Total : 21,146,900

2018 : 23,771,000

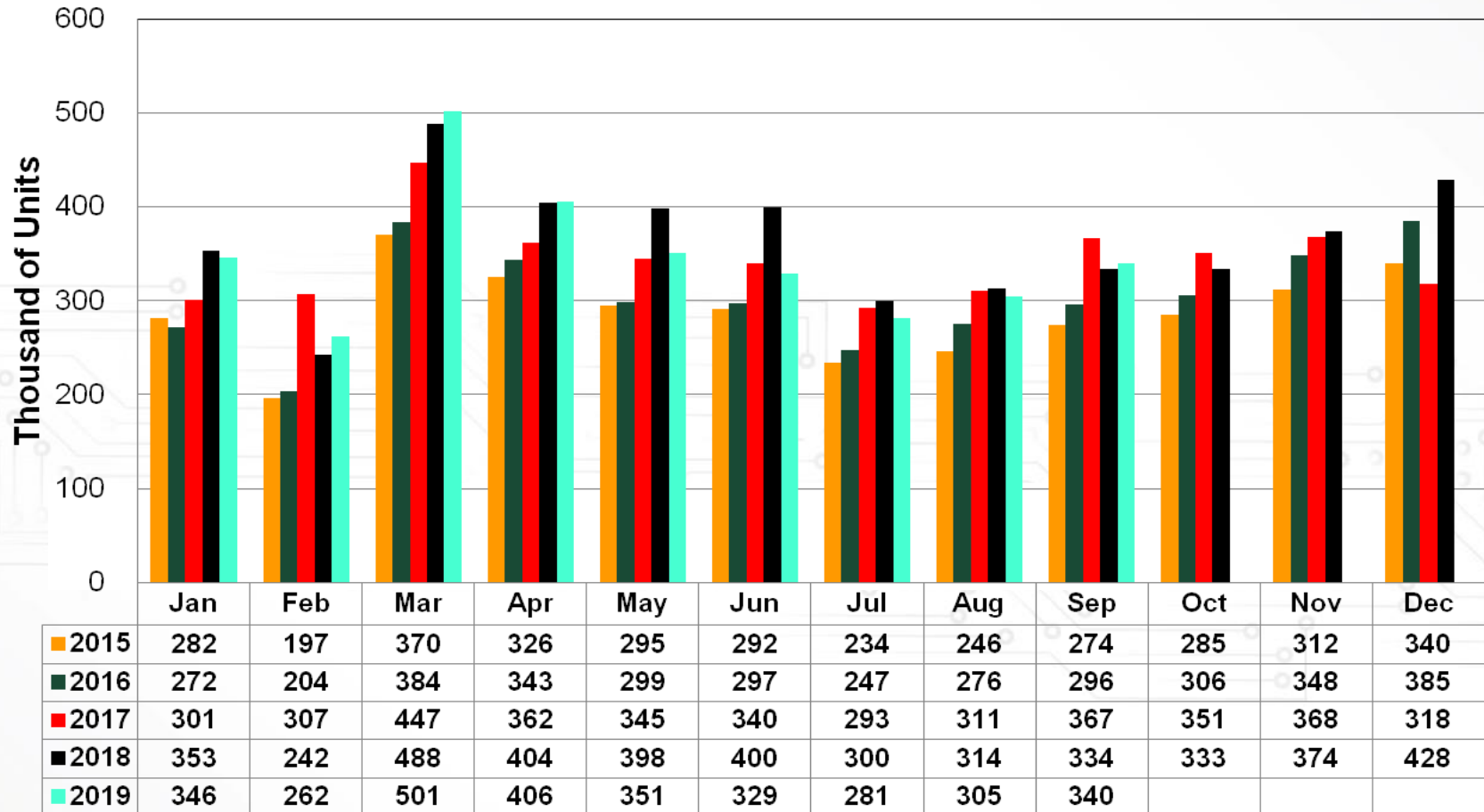
2016 Total : 23,923,900

Q1 – Q3/2019 : 15,217,000

2017 Total : 24,824,000

# China Commercial Vehicle Sales 2015-2018 & Q1-Q3/2019

## China Commercial Vehicle Sales



2015 Total : 3,451,300

2016 Total : 3,656,300

2017 Total : 4,108,700

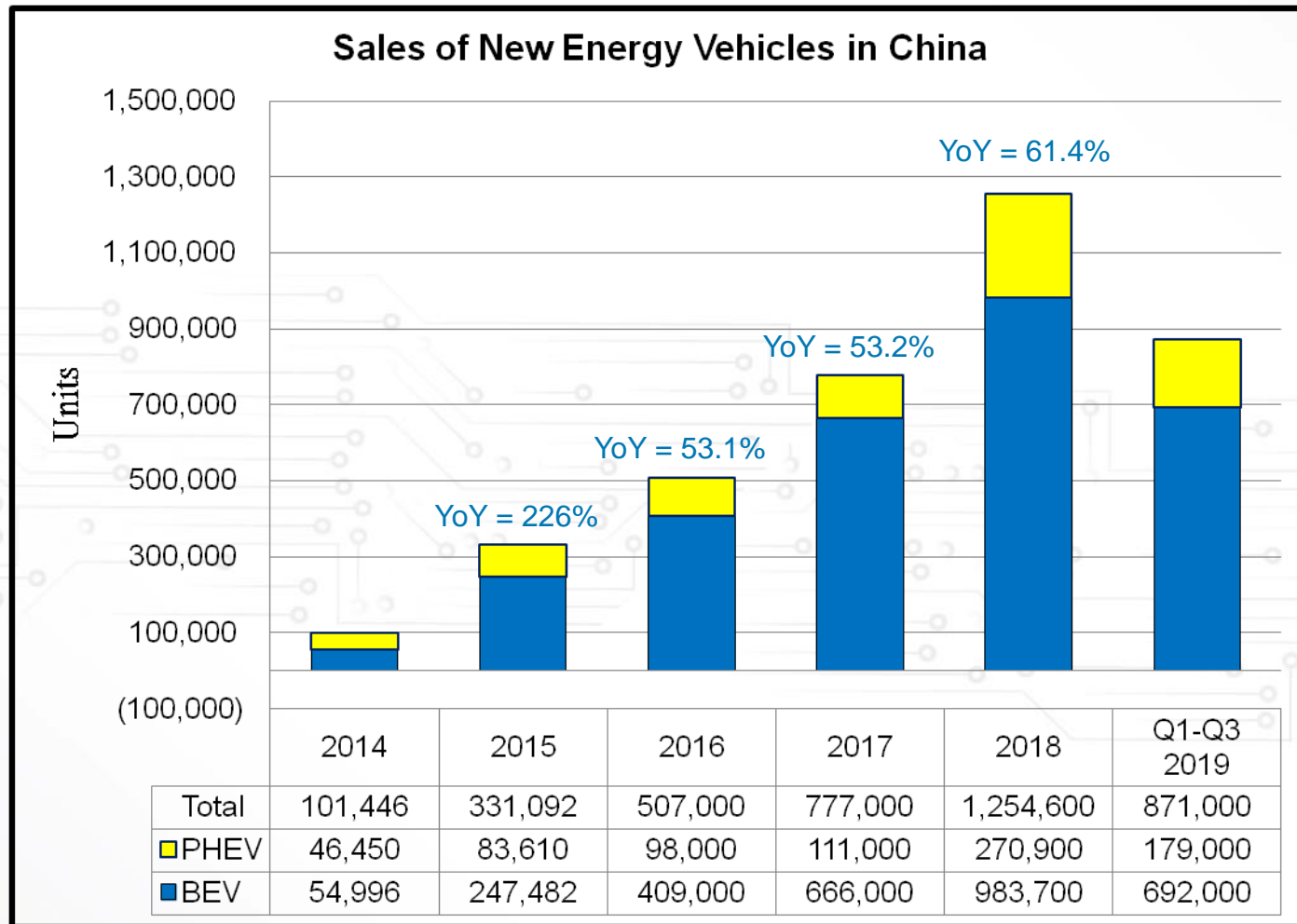
2018 : 4,367,000

Q1 – Q3/2019 : 3,121,000



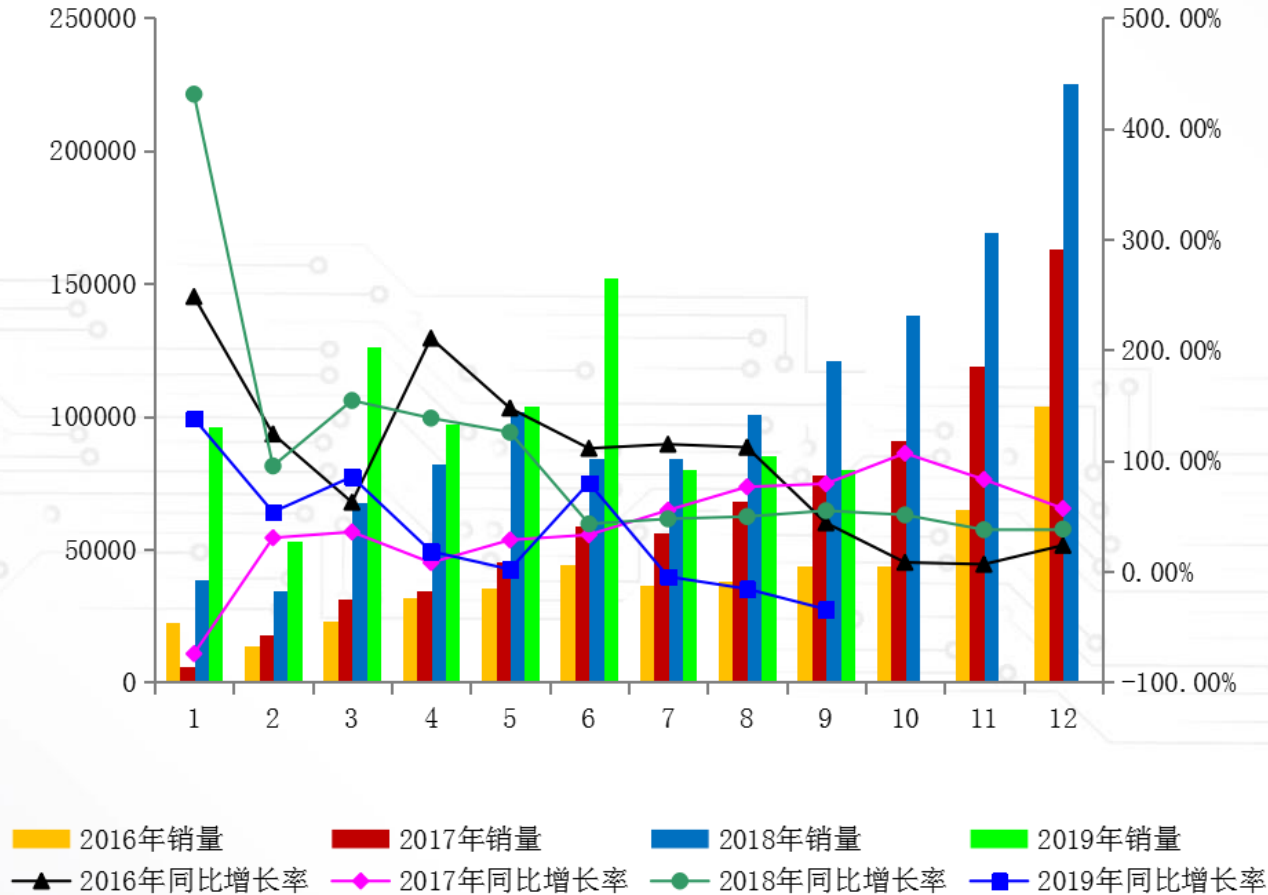
# China – New Energy Vehicles

➤ New energy vehicles is keeping a high-speed growth since 2015

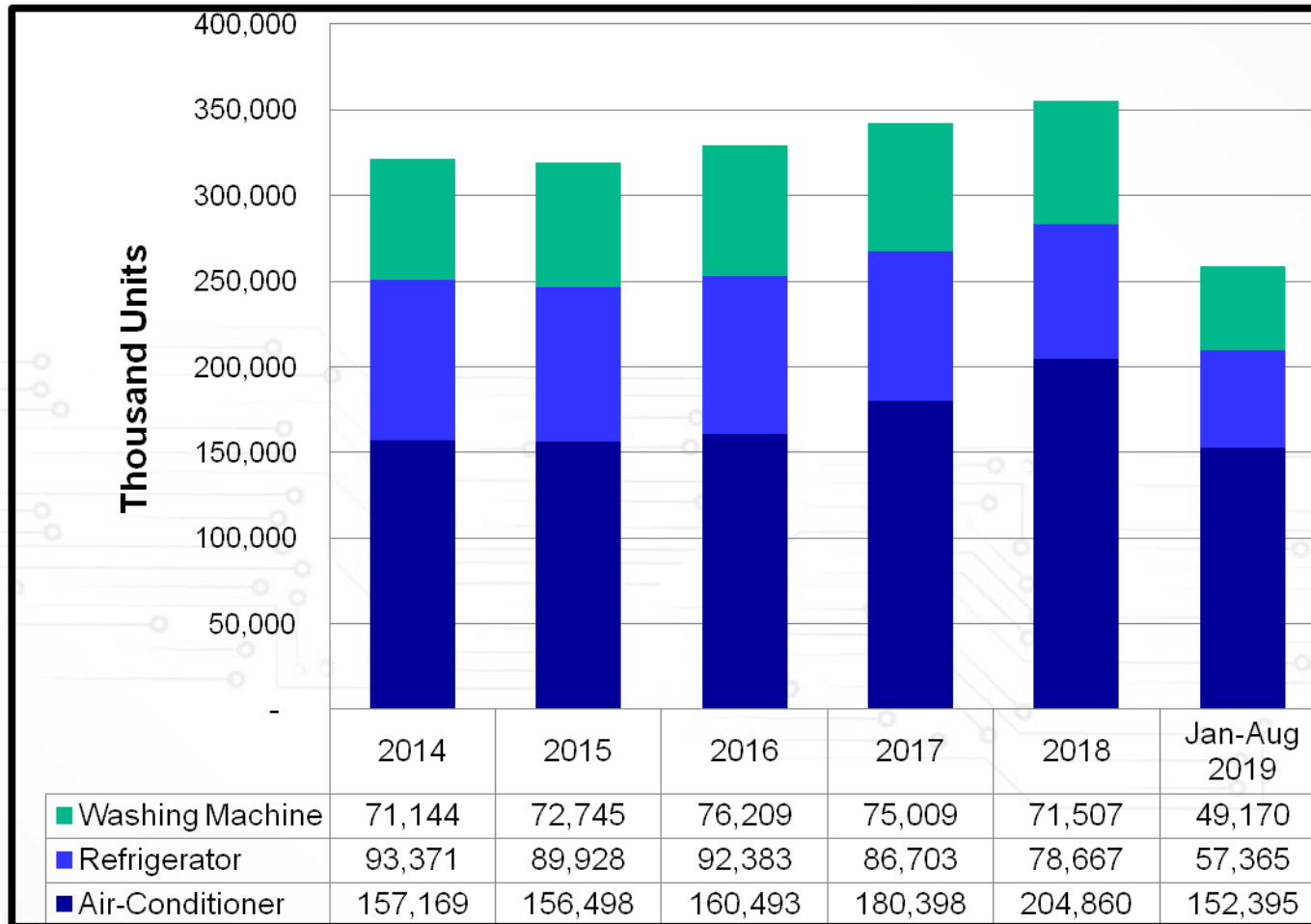


# China – New Energy Vehicles

图4：2016-2019年月度新能源汽车销量及同比变化情况

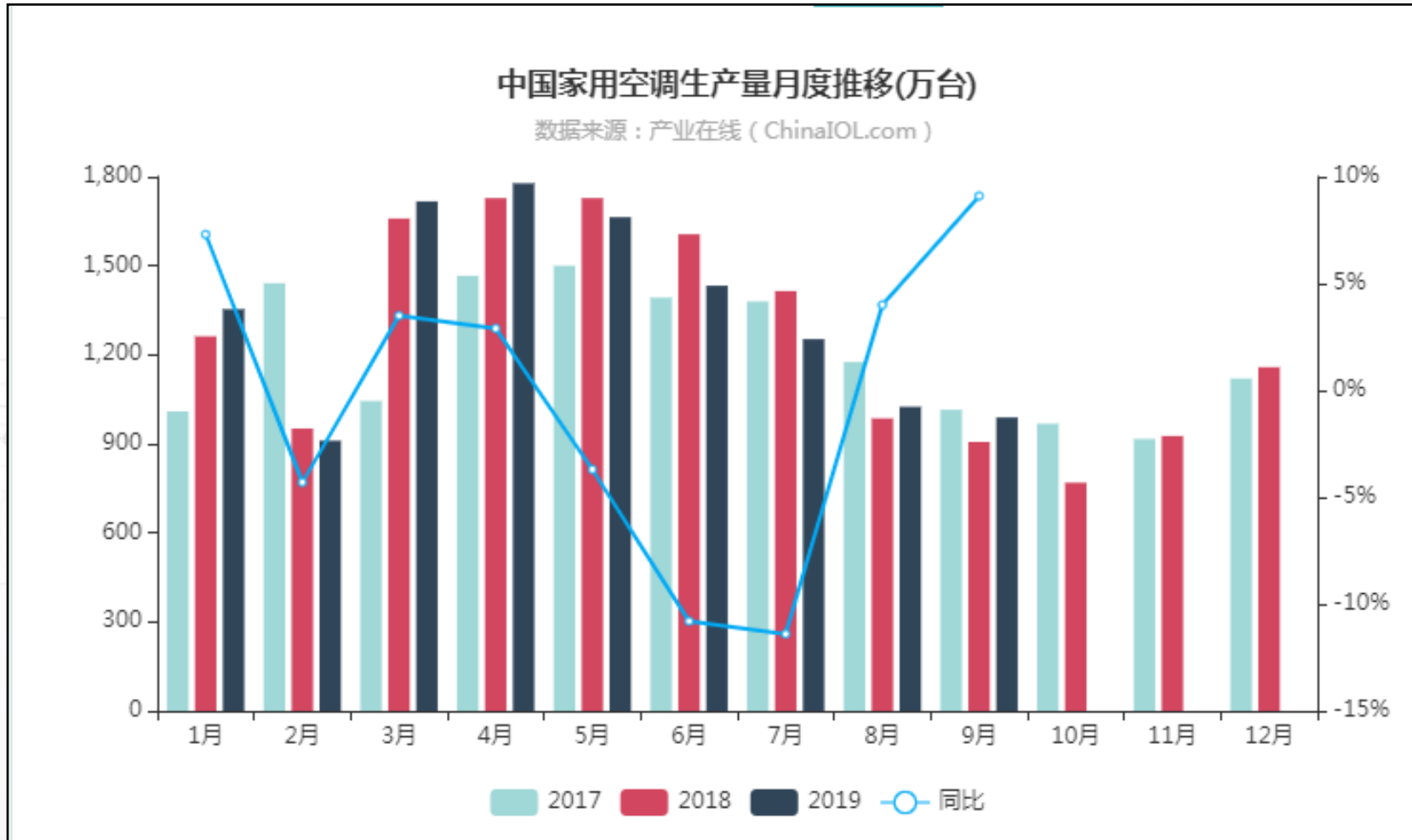


# China Main Home Appliance Production

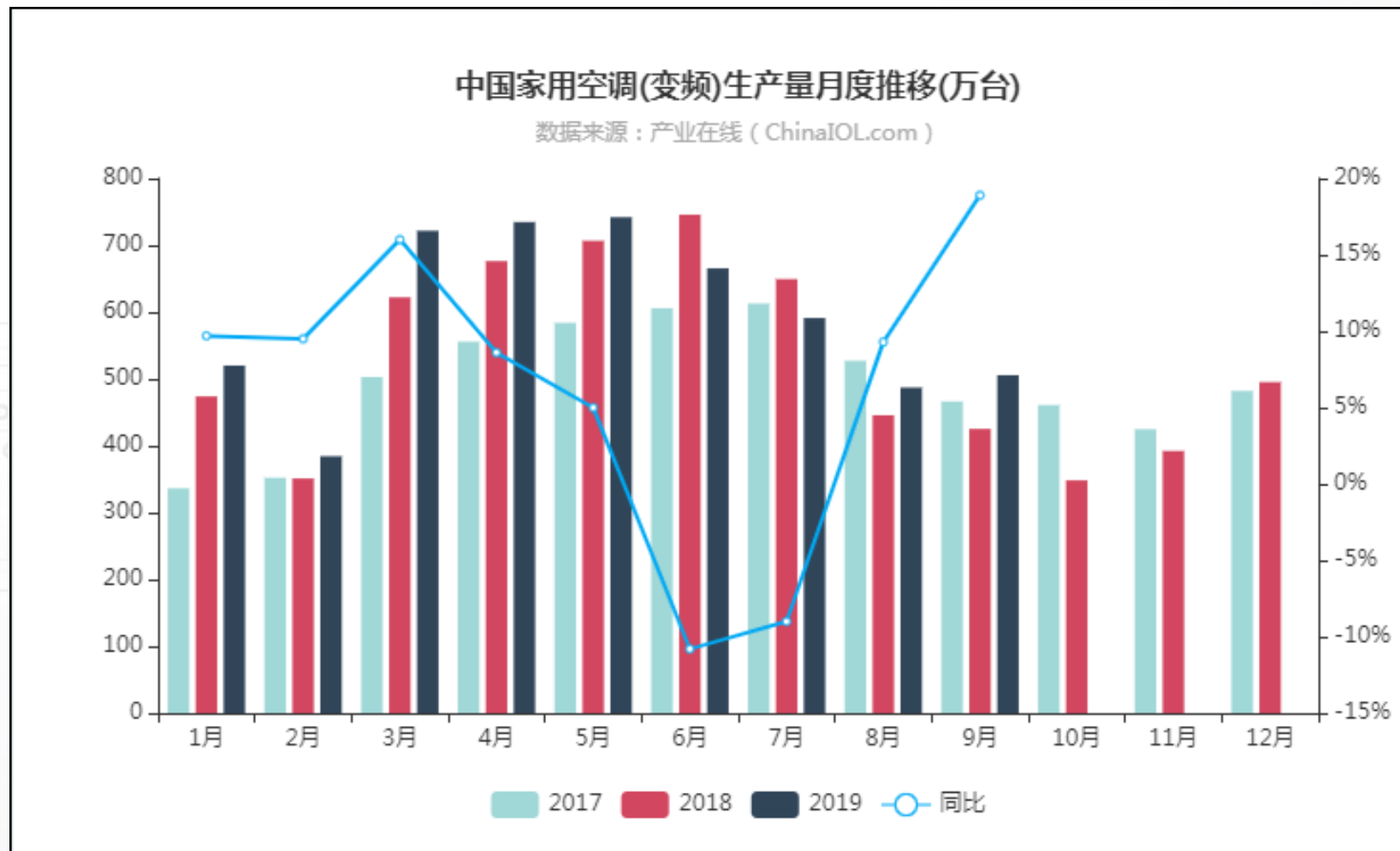


Note: Latest figure released by MIIT as of 22Oct2019

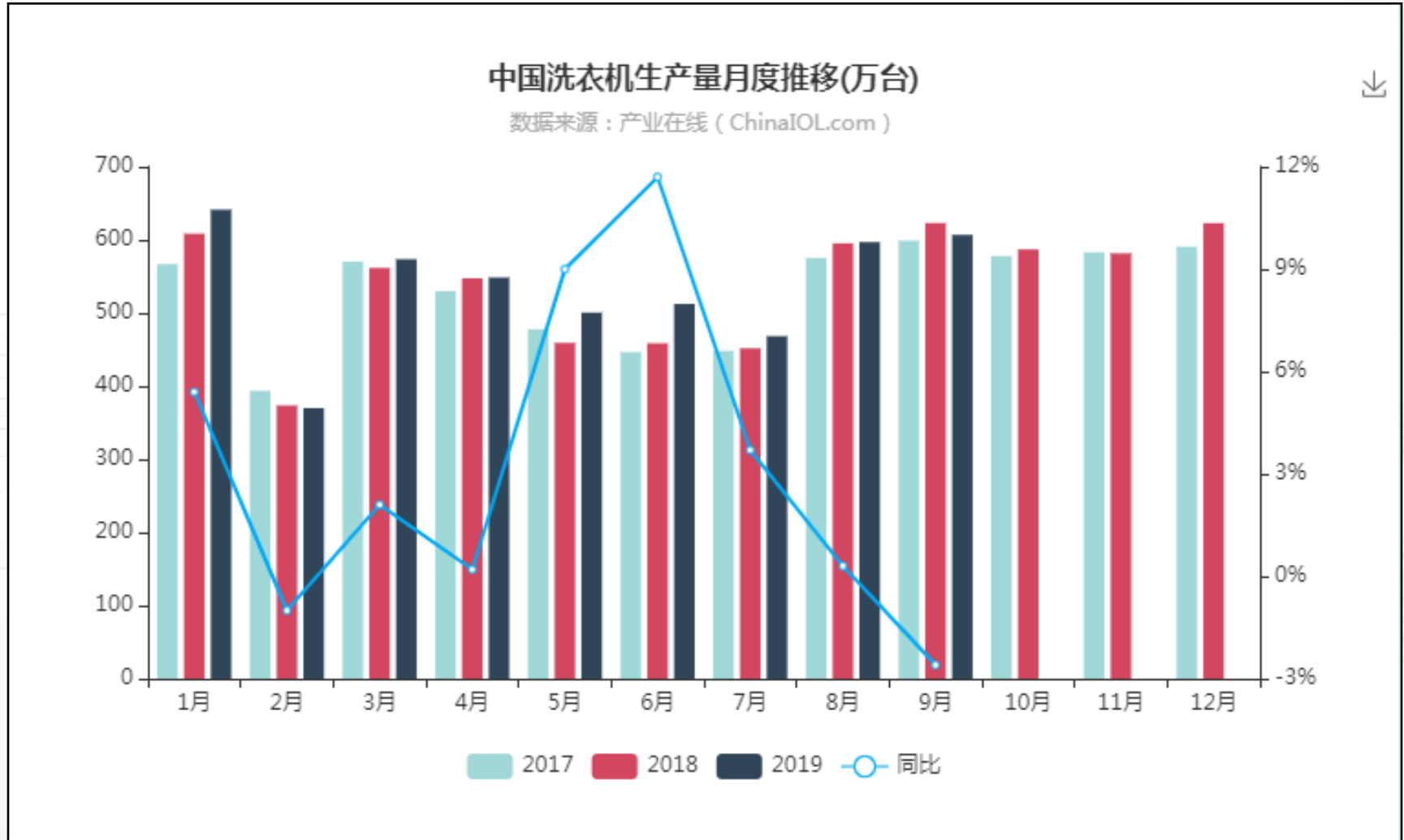
# China Air-Conditioner Production



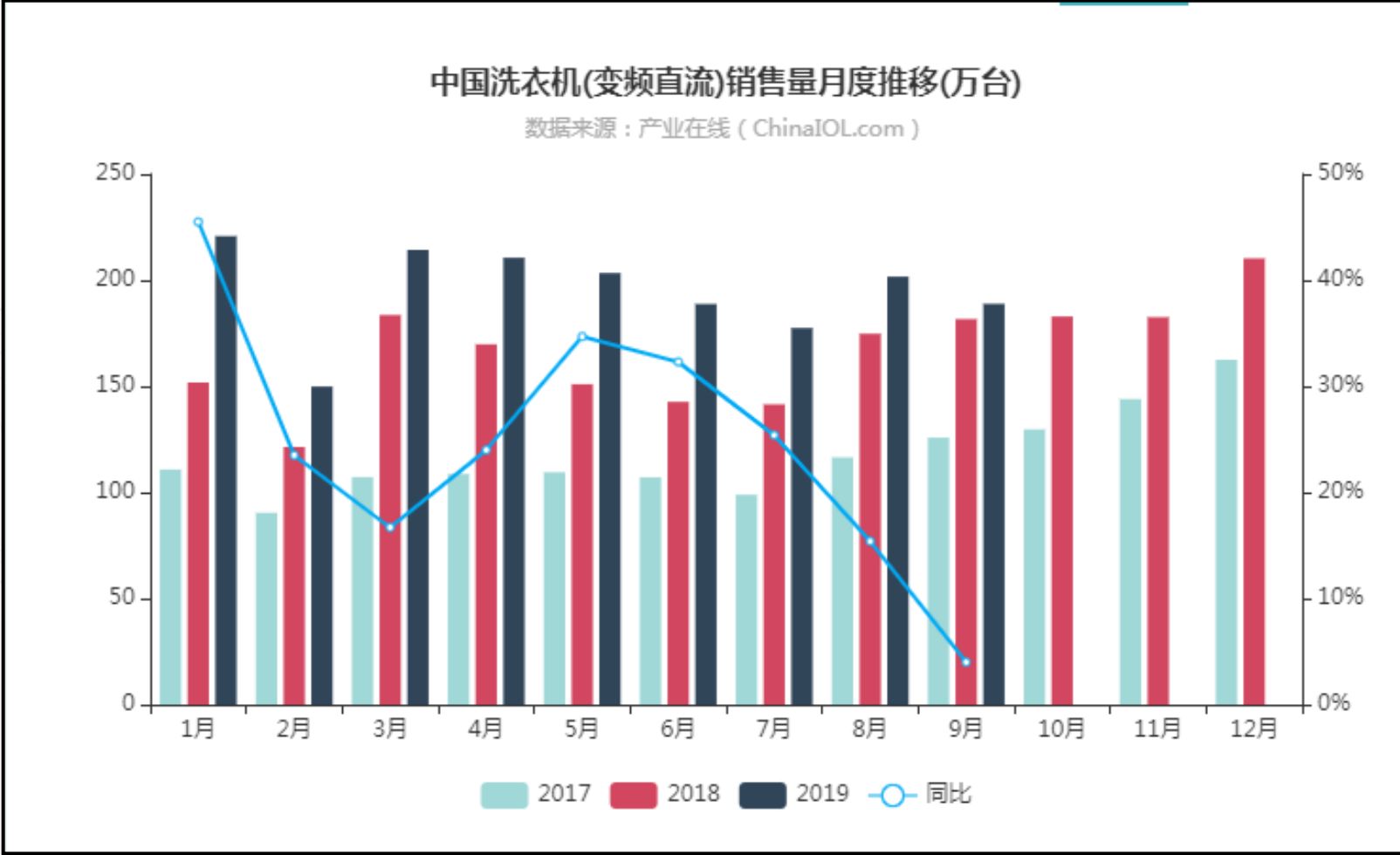
# China Air-Conditioner Production (Inverter-type)



# China Washing Machine Production

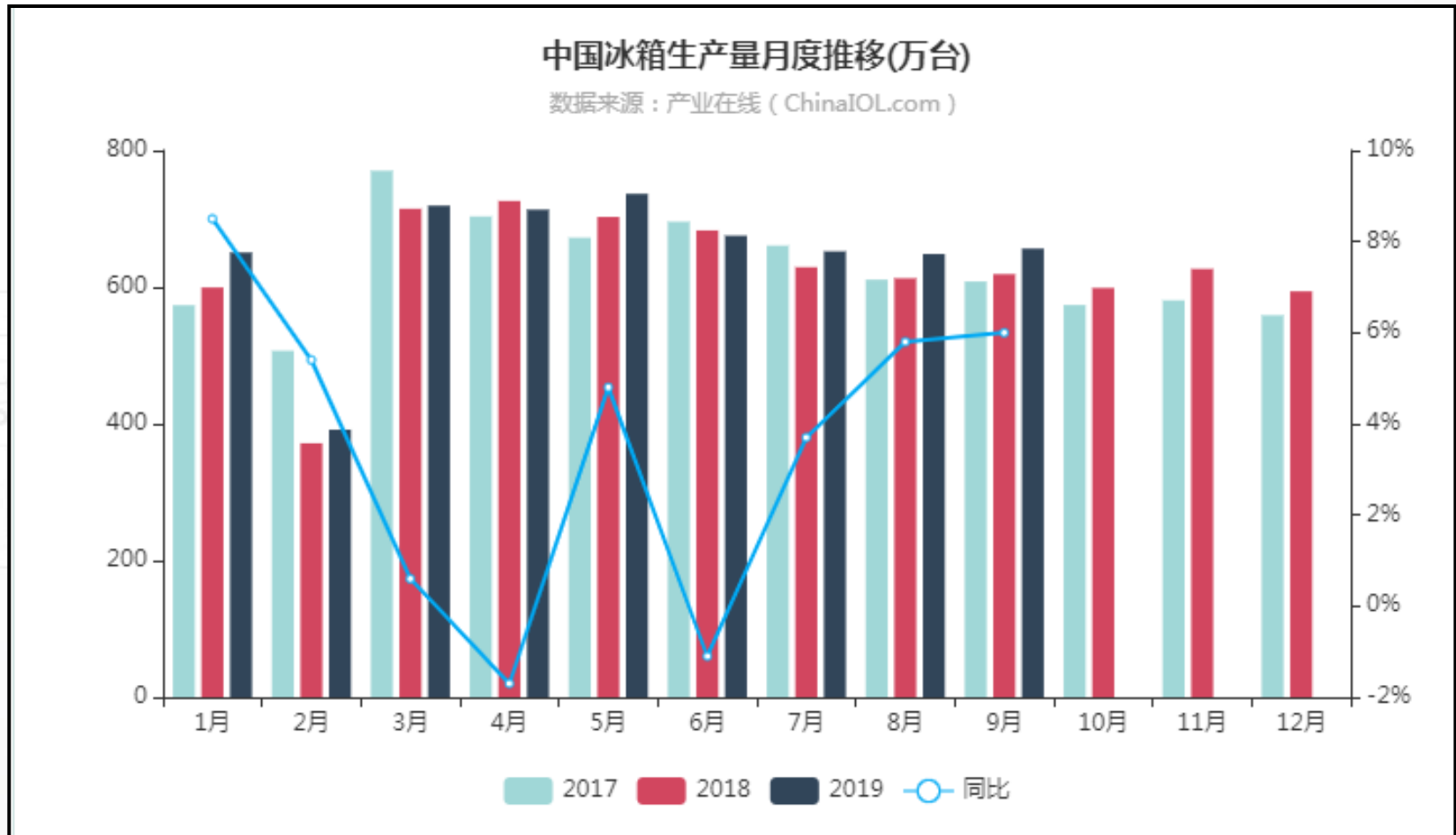


# China Washing Machine Production (DC Inverter-type)

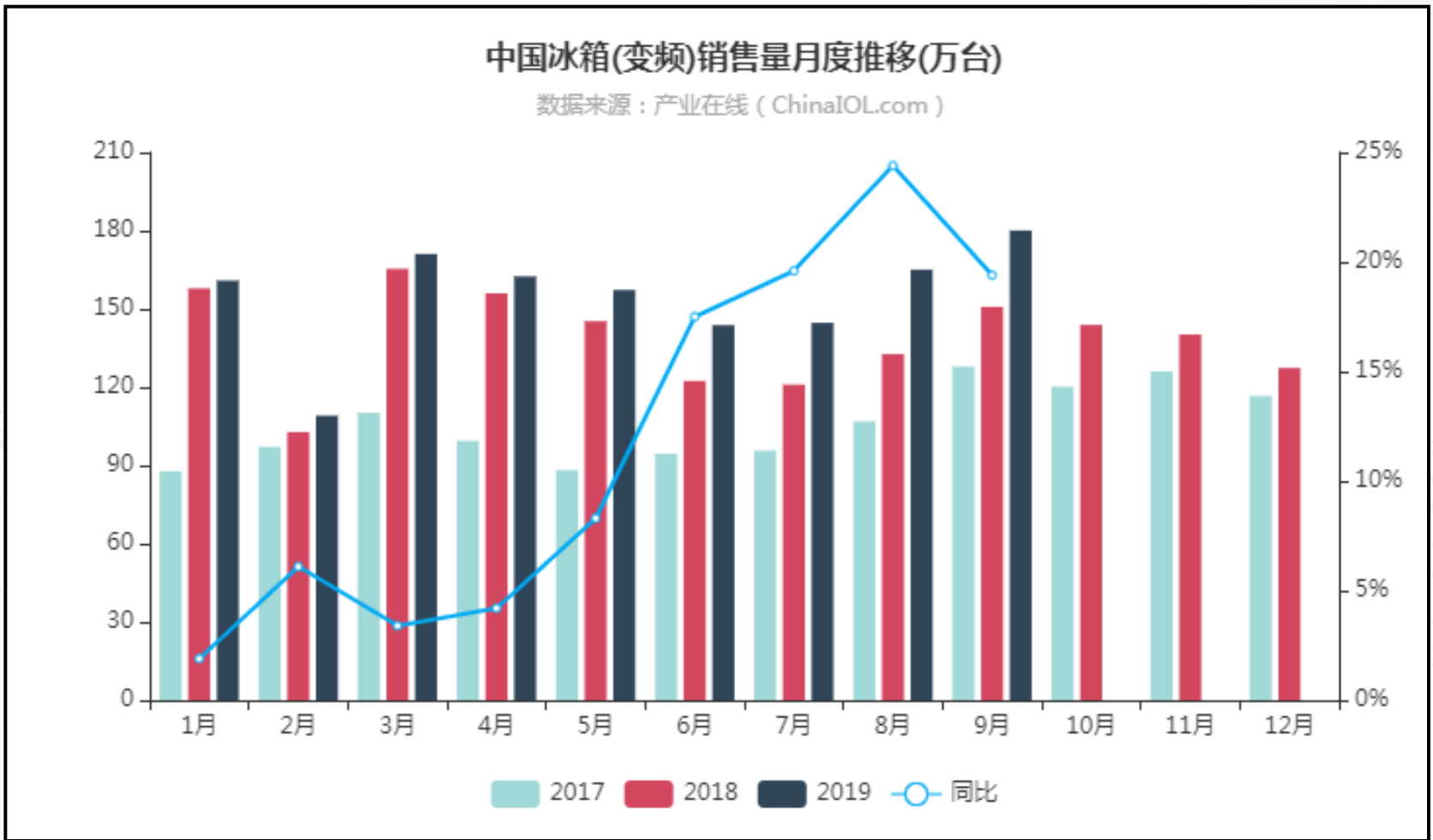




# China Refrigerator Production



# China Refrigerator Production (Inverter-type)



## Company – Action & Policy

- Focus Area - China Domestic Consumption Market
  - E.g. Automotive, Home Appliance, City Infrastructure
- Resources allocation to value-added service in growth segments
  - Develop higher energy efficiency product (e.g. Inverter)
  - Speed up the digitalization & electrification of car
  - Adopt the upcoming new 5G/IOT era in smart home and smart city
- Inventory management
  - Dedicate team to monitor the efficient use of inventory
  - Prepare for the potential demand to capture the market share
- Cost control
  - Tight control and lower down in costs and expenditure to keep at a more competitive position

# Disclaimer

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**Thank You !**

