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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

This announcement is made by the board of directors (the “Board”) of Willas-Array Electronics (Holdings) Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HK Listing Rules”) and the Inside Information Provisions (as defined in the HK Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as well as in accordance with Rule 703 of the Listing Manual of Singapore Exchange Securities Trading Limited.

The Company refers to the announcement dated February 20, 2017, the announcement dated June 19, 2017, the announcement dated September 12, 2018, the announcement dated September 13, 2018, the announcement dated October 10, 2018, the announcement dated December 11, 2019 and the announcement dated April 6, 2020, relating to the ongoing legal proceedings involving GW Electronics Company Limited (“GW Electronics”), an associated company of the Company. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the aforementioned announcements.

Further to the Company's announcement dated April 6, 2020, the Company was informed by GW Electronics that:

- GW Electronics had made submissions to the Court of Appeal on April 15, 2020 regarding the Application to Discharge the Winding-up Order in accordance with the directions set out in the Judgment from the Court of Appeal.
- The Court of Appeal had made order on May 20, 2020 that, among others, (1) the Winding-up Order is stayed for 28 days (“Interim Stay”), and (2) if, during this period, an interested party (e.g. a contributory) makes an application for permanent stay of the Winding-up Order (“Permanent Stay Application”), the Interim Stay will be extended pending the Companies Court’s determination of the Permanent Stay Application.

- Leader First Limited, an indirectly wholly-owned subsidiary of the Company and being one of the contributories of GW Electronics (holding 49% of the paid-up share capital of GW Electronics), had made the Permanent Stay Application by way of summons (“Permanent Stay Summons”) to the Court of First Instance of High Court of Hong Kong (the “CFI”) on June 17, 2020.
- Harken Investments Limited (a wholly-owned subsidiary of G.M.I. Technology Inc (“GMI”) and being the other contributory of GW Electronics, holding the remaining 51% of the paid-up share capital of GW Electronics) and GMI are supportive of the Permanent Stay Application.
- A hearing date for the Permanent Stay Summons had been fixed on June 29, 2020 in the CFI.

The Board of the Company has been advised that, among other things, if the Winding-up Order against GW Electronics is permanently stayed, the board of GW Electronics will resume full powers. This will enable the board of GW Electronics (which includes the Group's representative(s) on such board) to continually monitor DTT and DTT's Associates in their performance of their obligations under the Settlement (details of the Settlement can be found in the Company's announcement dated December 11, 2019).

After taking into account the potential monies recovery from DTT and the legal costs for the Permanent Stay Application which is financially not significant, the Board of the Company considers that it is in the best interests of the shareholders of the Company as a whole for the Company to assist the contributories of GW Electronics in respect of the Permanent Stay Application. Therefore, the Company, together with GMI, have committed to fund the legal costs incurred for the Permanent Stay Application proportionately.

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, June 18, 2020

As at the date of this announcement, the Board comprises five Executive Directors, namely Leung Chun Wah (Chairman), Kwok Chan Cheung (Deputy Chairman), Hon Kar Chun (Managing Director), Leung Hon Shing and Leung Chi Hang Daniel; and four Independent Non-executive Directors, namely Jovenal R. Santiago, Wong Kwan Seng, Robert, Iu Po Chan, Eugene and Lim Lee Meng.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.