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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)

POSITIVE PROFIT ALERT

This announcement is made by 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 board of directors of the Company (the “Board”) is pleased to inform the shareholders and potential investors of the Company that, based on the Board’s preliminary assessment of the unaudited consolidated management accounts of the Group for the three months ended September 30, 2020 (“2Q FY2021”) and six months ended September 30, 2020 (“FY2021 Interim”) (collectively, the “Unaudited Management Accounts”), it is expected that the Group is likely to record a consolidated net profit of approximately HK\$14.7 million for 2Q FY2021 as compared to a consolidated net loss of approximately HK\$31.2 million for the three months ended September 30, 2019. It is also expected that the Group is likely to record a consolidated net profit of approximately HK\$21.8 million for FY2021 Interim as compared to a consolidated net loss of approximately HK\$55.8 million for the six months ended September 30, 2019 (“FY2020 Interim”).

The expected consolidated net profit for FY2021 Interim is mainly attributable to:

- (i) an increase in gross profit margin in FY2021 Interim which was mainly attributed to the significant decrease in clearance of buffer stocks as compared to FY2020 Interim;
- (ii) there was a reversal of stock provision of approximately HK\$8.9 million in FY2021 Interim, while a stock provision of approximately HK\$18.8 million for slow-moving inventories was made in FY2020 Interim;
- (iii) a decrease in staff costs due to the streamlining of manpower as one of the cost-saving measures implemented in FY2021 Interim as compared to FY2020 Interim; and
- (iv) no significant exchange difference in FY2021 Interim, whereas there was an exchange loss of approximately HK\$16.6 million arising from the depreciation of the Renminbi in FY2020 Interim.

The Company is in the process of preparing and finalising the Group's results for 2Q FY2021 and FY2021 Interim. The information contained in this announcement is solely based on the information currently available to the Board and the Board's preliminary assessment of the Unaudited Management Accounts, which has neither been reviewed or finalised by the audit committee of the Company, nor reviewed or audited by the external auditors of the Company. Details of the unaudited financial results of the Group for 2Q FY2021 (the "2Q FY2021 Results") and FY2021 Interim (the "FY2021 Interim Results") respectively are expected to be published in mid-November 2020. Shareholders are advised to read the Company's announcement of the 2Q FY2021 Results and FY2021 Interim Results in detail once it is available.

Shareholders and potential investors of the Company 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, October 15, 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 three Independent Non-executive Directors, namely 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.