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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, the announcement dated April 6, 2020 and the announcement dated June 18, 2020, relating to the ongoing legal proceedings involving 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 June 18, 2020, the Company was informed by GW Electronics that:

1. The call-over hearing for the Permanent Stay Summons had been heard before the Honourable Mr. Justice Anthony Chan in the CFI on June 29, 2020, as a result of which, the substantive hearing for the Permanent Stay Summons had been adjourned to November 12, 2020.

2. The substantive hearing for the Permanent Stay Summons had been heard on November 12, 2020 before the Honourable Madam Justice Linda Chan in the CFI and order was made in court that all proceedings in the Winding-up Order against GW Electronics be stayed permanently (“Permanent Stay”).
3. The reasons for the decisions made by the Honourable Madam Justice Linda Chan for the Permanent Stay had been handed down on November 18, 2020, which states that, among others, the order for Permanent Stay was made upon the following conditions that:
 - (1) The Applicant, Leader First Limited (an indirectly wholly-owned subsidiary of the Company and one of the contributories of GW Electronics holding 49% of the paid-up share capital of GW Electronics), undertakes to pay to the petitioner, Toshiba Asia (the “Petitioner”) within 5 working days a sum of approximately HK\$2.9 million, being the net sum held by Array Electronics (China) Limited (an indirectly wholly-owned subsidiary of the Company) on behalf of GW Electronics (“Condition 1”); and
 - (2) The Official Receiver being the Provisional Liquidator (the “ORPL”), after deducting liquidation expenses incurred so far by the ORPL, pays to the Petitioner as soon as reasonably practicable the balance of the sum of approximately HK\$126.2 million held in the liquidation account of GW Electronics to discharge (i) the alleged debt of approximately US\$15.3 million and the untaxed costs under cases of HCCW81/2016, CACV 84/2017 and CACV 24/2017 owed to the Petitioner, and (ii) the corresponding statutory interests entitled to the Petitioner (“Condition 2”).

As GW Electronics is a limited liability corporation, the maximum potential exposure to the Group as a result of the fulfilment of Condition 1 and Condition 2 by GW Electronics is still limited to the Group’s equity interest in GW Electronics, of which a full impairment loss had already been recognized by the Group in the financial year ended March 31, 2016. Therefore, the Board does not consider that there will be significant impact on the overall financial condition and/or operations of the Group upon the fulfilment of the two conditions and the grant of the Permanent Stay to GW Electronics.

The Board of the Company has been advised that, among other things, the Permanent Stay will take effect (and therefore the board of GW Electronics will resume full powers over GW Electronics) upon when all the conditions aforementioned are met. This will enable the board of GW Electronics (which includes the Group’s representative(s) on such board) to continually take appropriate enforcement actions against 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).

As of the date of this announcement, Condition 1 has been fulfilled and the Company will update the shareholders of the Company when the Permanent Stay takes effect upon the fulfillment of Condition 2.

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, November 23, 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.