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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)

RESPONSE TO SGX QUERIES ON THE COMPANY’S AUDITED FULL YEAR RESULTS ANNOUNCEMENT RELEASED ON MAY 28, 2021

Willas-Array Electronics (Holdings) Limited (the “Company”) refers to its audited full year results announcement for the year ended March 31, 2021 (“FY2021 Results Announcement”) released on May 28, 2021. The Company wishes to inform the shareholders and prospective investors of the Company that it has received the following queries from the Singapore Exchange Regulation (“SGX RegCo”) on June 1, 2021 in relation to the FY2021 Results Announcement, and the Company’s responses to SGX RegCo’s queries are as follows.

Unless otherwise defined, all capitalised terms used in the Company’s responses shall have the same meanings as accorded to them in the FY2021 Results Announcement.

SGX RegCo’s Query 1:

Page 4: Trade receivables

Further elaborate upon and explain the increase to HK\$844,049,000 from HK\$660,912,000.

Company’s Response:

As mentioned on page 27 of the FY2021 Results Announcement, the increase in trade receivables by approximately HK\$183,100,000 was mainly due to increased sales revenue towards the end of FY2021 when compared with the sales revenue towards the end of FY2020. As mentioned on page 36 of the FY2021 Results Announcement, the sales for the

second half year of FY2021 increased by 24.5% as compared to the corresponding period in FY2020. The increase in trade receivables is therefore reflective of the increase in the sales revenue. In addition to the foregoing, as mentioned on page 27 of the FY2021 Results Announcement, the debtors turnover days increased from 2.5 months as at March 31, 2020 to 2.9 months as at March 31, 2021, and this has also contributed to the said increase in the trade receivables.

SGX RegCo's Query 2:

Page 4: Other receivables, deposits and prepayments

Explain the increase to HK\$8,273,000 from HK\$5,486,000.

Company's Response:

Other receivables, deposits and prepayments increase by HK\$2,787,000 was mainly due to:

- (i) a reclassification of rental deposits of certain premises in Hong Kong and mainland China of HK\$1,554,000 from non-current assets as at March 31, 2020 to current assets as at March 31, 2021 as the lease of these premises will expire before March 31, 2022; and
- (ii) an amount of HK\$581,000 due from G.M.I. Technology Inc., being the other shareholder of GW Electronics Company Limited (an associated company of the Company), for the legal costs incurred for the permanent stay application of the winding-up order against the associated company. In relation to (ii), please refer to the Company's announcement released on June 18, 2020 titled "*Update on Dispute Involving Associated Company*" for further details.

For and on behalf of
Willas-Array Electronics (Holdings) Limited
Leung Chun Wah
Chairman and Non-executive Director

Hong Kong/Singapore, June 3, 2021

As at the date of this announcement, the Board comprises one Non-executive Director, Leung Chun Wah (Chairman); three Executive Directors, namely 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.