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WILLAS-ARRAY
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)

PROFIT WARNING

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**”) wishes 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 six months ended September 30, 2023 (“**1H FY2024**” and the “**Unaudited Management Accounts**”, respectively), it is expected that the Group is likely to record a consolidated net loss of approximately HK\$95.2 million for 1H FY2024 as compared to a consolidated net profit of approximately HK\$12.8 million for the six months ended September 30, 2022 (“**1H FY2023**”).

The expected consolidated net loss for 1H FY2024 was mainly attributable to: (i) a decline in sales revenue of the Group as a result of the weak demand, strong inflation and continuous interest rate increase in 1H FY2024; (ii) a decrease in gross margin due to severe price competition in the overall electronic components market, which has exerted pressure on our product margin; (iii) an increase in stock provision made for the slow-moving inventories due to a slowdown of market demand in 1H FY2024 as compared to 1H FY2023 where there was no stock provision; (iv) net impairment losses recognised under expected credit loss on trade receivables in 1H FY2024 as compared to 1H FY2023 where no such impairment losses was made; and (v) an increase in finance costs mainly due to rising weighted average effective interest rate in 1H FY2024 as compared to 1H FY2023. The adjusted loss attributable to owners of the Company was approximately HK\$34.5 million in 1H FY2024, if excluding the stock provision of approximately HK\$37.0 million, net impairment losses recognised under expected credit loss on trade receivables of approximately HK\$8.4 million, and a net exchange loss of approximately HK\$15.4 million.

The Company is in the process of preparing and finalising the Group's unaudited financial results for 1H FY2024 (the "**Interim Results**"). 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. The Board expects that the announcement of the Interim Results to be published on or before the end of November 2023. Shareholders are advised to read the Company's announcement of the 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
Xie Lishu
Chairman and Non-executive Director

Hong Kong/Singapore, November 23, 2023

As at the date of this announcement, the Board comprises two Non-executive Directors, namely Xie Lishu (Chairman) and Huang Shaoli; two Executive Directors, namely Hon Kar Chun (Managing Director) and Fan Qinsheng; and four Independent Non-executive Directors, namely Chong Eng Wee, Lau Chin Huat, Tso Sze Wai and Jiang Maolin.

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