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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)

**ANNOUNCEMENT OF UNAUDITED FINAL RESULTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2024**

FINANCIAL HIGHLIGHTS

	Nine months ended December 31, 2024 HK\$'000 (Unaudited)	Year ended March 31, 2024 HK\$'000 (Audited)	Change %
Revenue	1,828,900	2,664,883	-31.4
Gross profit	72,685	100,397	-27.6
Loss before tax	(73,004)	(170,004)	-57.1
Loss to owners of the Company	(66,110)	(169,223)	-60.9
Basic loss per share (HK cents)	(75.39)	(193.13)	-61.0

UNAUDITED FINANCIAL RESULTS

The board of directors of Willas-Array Electronics (Holdings) Limited (the “Company” and the “Board”, respectively) is pleased to announce the unaudited consolidated final results of the Company and its subsidiaries (collectively, the “Group”, “We” or “Our”) for the nine months ended December 31, 2024, together with the comparative figures for the year ended March 31, 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended December 31, 2024

		Nine months ended December 31, 2024	Year ended March 31, 2024	Change
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>%</i>
		(Unaudited)	(Audited)	
Revenue	3	1,828,900	2,664,883	-31.4
Cost of sales		(1,756,215)	(2,564,486)	-31.5
Gross profit		72,685	100,397	-27.6
Other income		3,001	2,168	38.4
Distribution costs		(18,286)	(22,591)	-19.1
Administrative expenses		(111,230)	(171,586)	-35.2
Other gains and losses		125	(17,254)	NM
Impairment losses reversed (recognised) under expected credit loss (“ECL”) model, net		7,813	(7,820)	NM
Loss on fair value change of investment property		(188)	(715)	-73.7
Finance costs		(26,924)	(52,603)	-48.8
Loss before tax		(73,004)	(170,004)	-57.1
Income tax credit	4	6,893	707	NM
Loss for the period/year	5	(66,111)	(169,297)	-60.9

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – continued

For the nine months ended December 31, 2024

		Nine months ended December 31, 2024	Year ended March 31, 2024	Change %
	<i>NOTE</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)	
Other comprehensive expense				
<i>Items that will not be reclassified to profit or loss:</i>				
– Loss on revaluation of owned properties		(22,392)	(7,030)	NM
– Income tax relating to loss recognised in other comprehensive income		4,258	1,648	158.4
		(18,134)	(5,382)	NM
<i>Item that may be reclassified subsequently to profit or loss:</i>				
– Exchange differences arising from translation of foreign operations		(4,715)	(13,464)	–65.0
Other comprehensive expense for the period/year		(22,849)	(18,846)	21.2
Total comprehensive expense for the period/year		(88,960)	(188,143)	–52.7
Loss attributable to:				
Owners of the Company		(66,110)	(169,223)	–60.9
Non-controlling interests		(1)	(74)	–98.6
		(66,111)	(169,297)	–60.9
Total comprehensive expense attributable to:				
Owners of the Company		(88,963)	(188,064)	–52.7
Non-controlling interests		3	(79)	NM
		(88,960)	(188,143)	–52.7
Loss per share				
– Basic (HK cents)	15	(75.39)	(193.13)	–61.0
– Diluted (HK cents)		(75.39)	(193.13)	–61.0

NM – Not Meaningful

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

		December 31, 2024 <i>NOTES</i> <i>HK\$'000</i> (Unaudited)	March 31, 2024 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment	6	205,783	240,789
Right-of-use assets		2,941	3,953
Investment property		10,043	10,231
Club debentures		2,001	2,001
Interest in an associate		—	—
Financial assets measured at fair value through other comprehensive income ("FVTOCI")		8,639	—
Long-term deposits		1,363	2,622
Deferred tax assets		2,281	485
		<hr/>	<hr/>
Total non-current assets		233,051	260,081
		<hr/>	<hr/>
Current assets			
Inventories		415,864	707,663
Trade receivables	7	708,448	816,508
Other receivables, deposits and prepayments		10,632	7,845
Amount due from related companies	8	948	167
Income tax recoverable		4,321	8,708
Cash and cash equivalents		41,412	68,851
		<hr/>	<hr/>
Total current assets		1,181,625	1,609,742
		<hr/>	<hr/>
Total assets		<u>1,414,676</u>	<u>1,869,823</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued

As at December 31, 2024

		December 31, 2024	March 31, 2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
Current liabilities			
Trade payables	10	322,998	735,772
Other payables		36,536	33,356
Contract liabilities		3,256	3,551
Income tax payable		550	784
Trust receipt loans		140,044	268,246
Bank borrowings		316,905	297,210
Lease liabilities		2,054	2,354
Loans from the ultimate holding company	11	163,180	–
Total current liabilities		985,523	1,341,273
Net current assets		196,102	268,469
Total assets less current liabilities		429,153	528,550
Capital, reserves and non-controlling interests			
Share capital	12	87,692	87,622
Reserves		326,106	414,864
Equity attributable to owners of the Company		413,798	502,486
Non-controlling interests		–	89
Total equity		413,798	502,575
Non-current liabilities			
Deferred tax liabilities		14,517	24,335
Lease liabilities		838	1,640
Total non-current liabilities		15,355	25,975
Total liabilities and equity		1,414,676	1,869,823

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended December 31, 2024

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital	Capital reserves	Statutory reserve	Property revaluation reserve	Currency translation reserve	Financial assets	Other reserve	Accumulated profits	Subtotal			
						measured at FVTOCI reserve						
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
	(Note i)	(Note ii)				(Note iii)						
At April 1, 2023 (Audited)	87,622	199,780	28,771	125,090	(5,355)	(16,448)	(3,561)	274,651	690,550	66	690,616	
Total comprehensive expense for the year:												
Loss for the year	-	-	-	-	-	-	-	(169,223)	(169,223)	(74)	(169,297)	
Other comprehensive expense for the year	-	-	-	(5,382)	(13,459)	-	-	-	(18,841)	(5)	(18,846)	
Total	-	-	-	(5,382)	(13,459)	-	-	(169,223)	(188,064)	(79)	(188,143)	
Transactions with owners, recognised directly in equity:												
Capital contribution from non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	102	102	
Share options forfeited	-	(752)	-	-	-	-	-	752	-	-	-	
Transfer from property revaluation reserve	-	-	-	(6,127)	-	-	-	6,127	-	-	-	
Transfer of statutory reserve	-	-	(2,596)	-	-	-	-	2,596	-	-	-	
Total	-	(752)	(2,596)	(6,127)	-	-	-	9,475	-	102	102	
At March 31, 2024 (Audited)	87,622	199,028	26,175	113,581	(18,814)	(16,448)	(3,561)	114,903	502,486	89	502,575	

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – continued

For the nine months ended December 31, 2024

	Attributable to owners of the Company										
	Share capital	Capital reserves	Statutory reserve	Property revaluation reserve	Currency translation reserve	Financial assets measured at FVTOCI reserve	Other reserve	Accumulated profits	Subtotal	Non-controlling interests	Total
	HK\$'000	HK\$'000 (Note i)	HK\$'000 (Note ii)	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note iii)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At April 1, 2024 (Audited)	87,622	199,028	26,175	113,581	(18,814)	(16,448)	(3,561)	114,903	502,486	89	502,575
Total comprehensive expense for the period:											
Loss for the period	-	-	-	-	-	-	-	(66,110)	(66,110)	(1)	(66,111)
Other comprehensive (expense) income for the period	-	-	-	(18,134)	(4,719)	-	-	-	(22,853)	4	(22,849)
Total	-	-	-	(18,134)	(4,719)	-	-	(66,110)	(88,963)	3	(88,960)
Transactions with owners, recognised directly in equity:											
Dissolution of subsidiary	-	-	-	-	6	-	86	-	92	(92)	-
Exercise of share options	70	113	-	-	-	-	-	-	183	-	183
Share options forfeited	-	(503)	-	-	-	-	-	503	-	-	-
Transfer from property revaluation reserve	-	-	-	(4,429)	-	-	-	4,429	-	-	-
Transfer of statutory reserve	-	-	(4,130)	-	-	-	-	4,130	-	-	-
Total	70	(390)	(4,130)	(4,429)	6	-	86	9,062	275	(92)	183
At December 31, 2024 (Unaudited)	87,692	198,638	22,045	91,018	(23,527)	(16,448)	(3,475)	57,855	413,798	-	413,798

Notes:

- (i) Capital reserves comprise share premium, contributed surplus and share options reserve. Contributed surplus represents the difference between the underlying net tangible assets of the subsidiaries which were acquired by the Company at the date of the group reorganisation in 2001 and the nominal amount of the shares issued by the Company under the reorganisation.
- (ii) The statutory reserve is non-distributable and was appropriated from profit after tax of the Company's subsidiaries in the People's Republic of China (the "PRC") and Taiwan under the respective laws and regulations of the PRC and Taiwan.
- (iii) Other reserve comprises a debit amount of HK\$3,475,000 and represents the difference between the fair value of the consideration paid and the carrying amount of the net assets attributable to the additional interest in certain then subsidiaries acquired during the year ended March 31, 2017.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended December 31, 2024

	Nine months ended December 31, 2024 HK\$'000 (Unaudited)	Year ended March 31, 2024 HK\$'000 (Audited)
Operating activities		
Loss before tax	(73,004)	(170,004)
Adjustments for:		
Depreciation of property, plant and equipment	10,098	14,657
Depreciation of right-of-use assets	1,847	7,928
Interest expense on bank borrowings and trust receipt loans	26,798	52,248
Interest expense on lease liabilities	126	355
Allowance for inventories	28,176	83,389
Impairment losses (reversed) recognised under ECL model, net	(7,813)	7,820
(Gain) loss on disposal of property, plant and equipment	(66)	1,740
Loss on fair value change of investment property	188	715
Net loss on fair value changes of derivative financial instruments	–	682
Loss on termination of leases, net	–	252
Unrealised exchange (gain) loss	(1,089)	5,542
Interest income	(414)	(1,223)
Operating cash flows before movements in working capital	(15,153)	4,101
Decrease (increase) in inventories	262,933	(206,440)
Decrease (increase) in trade receivables	103,316	(36,705)
Increase in other receivables, deposits and prepayments	(2,866)	(326)
Decrease in long-term deposits	1,228	1,328
Increase in amounts due from related companies	(781)	(167)
(Decrease) increase in trade payables	(405,600)	355,752
(Decrease) increase in other payables	(5,859)	1,158
(Decrease) increase in contract liabilities	(273)	642

CONSOLIDATED STATEMENT OF CASH FLOWS – continued

For the nine months ended December 31, 2024

	Nine months ended December 31, 2024 HK\$'000 (Unaudited)	Year ended March 31, 2024 HK\$'000 (Audited)
Cash (used in) generated from operations	(63,055)	119,343
Income tax refund (paid)	3,874	(5,466)
Interest paid	(27,745)	(55,708)
Interest received	414	1,223
	<u>(86,512)</u>	<u>59,392</u>
Investing activities		
Purchase of property, plant and equipment	(405)	(5,123)
Investments in unlisted equity securities	(2,160)	–
Proceeds from disposal of property, plant and equipment	444	738
	<u>(2,121)</u>	<u>(4,385)</u>
Financing activities		
Capital contribution from non-controlling interests of a subsidiary	–	102
Proceeds from exercise of share options	183	–
Repayments of trust receipt loans	(847,633)	(1,909,213)
Proceeds from trust receipt loans	719,917	1,521,523
Repayments of bank borrowings	(1,084,977)	(885,213)
Proceeds from bank borrowings	1,110,713	982,567
Repayments of Loans from the ultimate holding company	(34,557)	–
Proceeds from Loans from the ultimate holding company	200,370	–
Repayment of lease liabilities	(2,065)	(8,850)
	<u>61,951</u>	<u>(299,084)</u>
Net cash generated from (used in) financing activities	<u>61,951</u>	<u>(299,084)</u>
Net decrease in cash and cash equivalents	(26,682)	(244,077)
Cash and cash equivalents at beginning of the period/year	68,851	317,230
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(757)	(4,302)
Cash and cash equivalents at end of the period/year	<u><u>41,412</u></u>	<u><u>68,851</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended December 31, 2024

1. GENERAL INFORMATION

The Company was incorporated in Bermuda on August 3, 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda with its registered office at Victoria Place, 5/F, 31 Victoria Street, Hamilton HM10, Bermuda. Its principal place of business is located at 24/F, Wyler Centre, Phase 2, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong. The issued ordinary shares of the Company are listed and traded on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”). The consolidated financial statements of the Group are presented in Hong Kong dollars which is also the functional currency of the Company. All values are rounded to the nearest thousand except otherwise indicated.

The immediate holding company of the Company is Texin (HongKong) Electronics Co. Limited, which is in turn wholly owned by Shanghai YCT Electronics Group Co., Ltd. (“Shanghai YCT”), a company incorporated in the People’s Republic of China (the “PRC”) with its shares listed on the Shenzhen Stock Exchange.

The principal activity of the Company is investment holding and the Company’s subsidiaries are principally engaged in the trading of electronic components.

2. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from the application of amendments to International Financial Reporting Standards (“IFRS Accounting Standards”) issued by the International Accounting Standards Board (the “IASB”), the accounting policies and methods of computation used in the consolidated financial statements for the nine months ended December 31, 2024 are the same as those presented in the Group’s annual financial statements for the year ended March 31, 2024.

During the period, the Group changed its financial year ended date from March 31 to December 31 to align with the financial year end of its ultimate controlling shareholder, Shanghai YCT, following the close of the voluntary unconditional cash offers made by Texin as announced by the Company on September 27, 2024. The current period of consolidated financial statements covers a nine-month period ended December 31, 2024 and the comparative financial statements cover a twelve-month period ended March 31, 2024. The comparative amounts are therefore not entirely comparable.

2. **PRINCIPAL ACCOUNTING POLICIES** – continued

New and amendments to IFRS Accounting Standards that are mandatorily effective for the current period

In the current period, the Group has applied the following revised IFRS Accounting Standards for the first time, which are mandatorily effective for the Group’s current period beginning on April 1, 2024 for the preparation of the Group’s consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current (the “2020 Amendments”)
Amendments to IAS 1	Non-current Liabilities with Covenants (the “2022 Amendments”)
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the revised to IFRS Accounting Standards in the current period has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. **SEGMENT INFORMATION**

The Group is engaged in the trading of electronic components. Information reported to the executive directors of the Company, being the Group’s chief operating decision maker (the “CODM”) for the purposes of resource allocation and assessment of performance, is based on geographical locations as follows:

- Southern China Region;
- Northern China Region; and
- Taiwan

In addition, the CODM also reviews revenue by customers’ market industries.

The CODM focuses on reportable segment profit which is gross profit earned by each segment. Other income, distribution costs, administrative expenses, other gains and losses, impairment losses reversed under ECL model, net, gain on fair value change of investment property and finance costs are excluded from segment results.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

3. SEGMENT INFORMATION – continued

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Nine months ended December 31, 2024 (Unaudited)

	Trading of electronic components					Total HK\$'000
	Southern China Region HK\$'000	Northern China Region HK\$'000	Taiwan HK\$'000	Sub-total HK\$'000	Elimination HK\$'000	
Revenue						
Sales – external	791,291	841,665	195,944	1,828,900	–	1,828,900
Sales – inter-company	444,808	439,898	879	885,585	(885,585)	–
	1,236,099	1,281,563	196,823	2,714,485	(885,585)	1,828,900
Cost of sales	(1,207,139)	(1,246,554)	(188,107)	(2,641,800)	885,585	(1,756,215)
Gross profit/segment results	<u>28,960</u>	<u>35,009</u>	<u>8,716</u>	<u>72,685</u>	<u>–</u>	72,685
Other income						3,001
Distribution costs						(18,286)
Administrative expenses						(111,230)
Other gains and losses						125
Impairment losses reversed under ECL model, net						7,813
Loss on fair value change of investment property						(188)
Finance costs						(26,924)
Loss before tax						(73,004)
Income tax credit						6,893
Loss for the period						(66,111)
Loss attributable to non-controlling interests						(1)
Loss attributable to owners of the Company						<u>(66,110)</u>

3. SEGMENT INFORMATION – continued

Year ended March 31, 2024 (Audited)

	Trading of electronic components					Total HK\$'000
	Southern China Region HK\$'000	Northern China Region HK\$'000	Taiwan HK\$'000	Sub- total HK\$'000	Elimination HK\$'000	
Revenue						
Sales – external	1,165,985	1,421,428	77,470	2,664,883	–	2,664,883
Sales – inter-company	672,208	681,090	16	1,353,314	(1,353,314)	–
	1,838,193	2,102,518	77,486	4,018,197	(1,353,314)	2,664,883
Cost of sales	(1,787,448)	(2,062,137)	(68,215)	(3,917,800)	1,353,314	(2,564,486)
Gross profit/segment results	<u>50,745</u>	<u>40,381</u>	<u>9,271</u>	<u>100,397</u>	<u>–</u>	100,397
Other income						2,168
Distribution costs						(22,591)
Administrative expenses						(171,586)
Other gains and losses						(17,254)
Impairment losses recognised under ECL model, net						(7,820)
Loss on fair value change of investment property						(715)
Finance costs						(52,603)
Loss before tax						(170,004)
Income tax credit						707
Loss for the year						(169,297)
Loss attributable to non-controlling interests						(74)
Loss attributable to owners of the Company						<u>(169,223)</u>

The management monitors the Group's assets and liabilities in one pool, which is more efficient and effective. Accordingly, no segment assets and liabilities information was presented to the CODM.

4. INCOME TAX CREDIT

	Nine months ended December 31, 2024 <i>HK\$'000</i> (Unaudited)	Year ended March 31, 2024 <i>HK\$'000</i> (Audited)
The income tax credit comprises:		
Current tax:		
– Hong Kong	410	387
– PRC Enterprise Income Tax (“EIT”)	92	1,248
– Taiwan	392	1,081
– Taiwan withholding tax on dividends	861	234
	<u>1,755</u>	<u>2,950</u>
(Over) under provision in respect of prior year:		
– Hong Kong	–	1
– PRC EIT	(1,444)	11
– Taiwan	(44)	10
	<u>(1,488)</u>	<u>22</u>
Deferred tax:		
– Credit to the period/year	(7,160)	(3,679)
	<u>(6,893)</u>	<u>(707)</u>

For the nine months ended December 31, 2024, the Company was subject to Hong Kong Profits Tax at the rate of 16.5%. For the year ended March 31, 2024, under the two-tiered profits tax rates regime, the Company was subject to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2,000,000 of assessable profits, and the remaining profits at 16.5%. Subsidiaries of the Company incorporated in Hong Kong were subject to Hong Kong Profits Tax at the rate of 16.5% for the nine months ended December 31, 2024 and the year ended March 31, 2024.

Under the Law of the PRC on EIT (the “EIT Law”) and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (March 31, 2024: 25%). The tax rate of the Taiwan subsidiary is 20% (March 31, 2024: 20%).

5. LOSS FOR THE PERIOD/YEAR

Loss for the period/year has been arrived at or after charging (crediting):

	Nine months ended December 31, 2024 HK\$'000 (Unaudited)	Year ended March 31, 2024 HK\$'000 (Audited)
Cost of inventories recognised as expenses (<i>Note i</i>)	1,756,215	2,564,486
Depreciation of property, plant and equipment	10,098	14,657
Depreciation of right-of-use assets	1,847	7,928
Directors' emoluments (<i>Note ii</i>)	2,660	5,067
(Gain) loss on disposal of property, plant and equipment	(66)	1,740
Audit fees		
– Paid to auditor of the Company	–	761
– Paid to other auditors	1,744	2,056
Non-audit fees		
– Paid to auditor of the Company	–	230
– Paid to other auditors	343	739
Staff costs (excluding directors' emoluments) (<i>Note ii</i>)	73,822	102,512
Net foreign exchange (gain) loss	(59)	14,580
Net loss on fair value changes of derivative financial instruments	–	682
Interest income from bank deposits	(414)	(1,223)
Interest expense on borrowings	26,798	52,248
Impairment losses under ECL model (reversed) recognised		
on trade receivables	(7,813)	9,000
Government grant	(1,314)	(68)
	<u> </u>	<u> </u>

Notes:

- (i) During the nine months ended December 31, 2024, the amount included allowance for inventories amounting to HK\$28,176,000 (year ended March 31, 2024: HK\$83,389,000).
- (ii) During the nine months ended December 31, 2024, cost of defined contribution plans amounting to HK\$11,103,000 (year ended March 31, 2024: HK\$16,618,000) was included in staff costs and directors' emoluments.

6. PROPERTY, PLANT AND EQUIPMENT

During the nine months ended December 31, 2024, the Group acquired property, plant and equipment amounting to HK\$405,000 (year ended March 31, 2024: HK\$5,123,000). In addition, the Group disposed of certain property, plant and equipment with a carrying amount of HK\$378,000 (year ended March 31, 2024: HK\$2,478,000), resulting in a gain of HK\$66,000 (year ended March 31, 2024: loss of HK\$1,740,000).

7. TRADE RECEIVABLES

	December 31, 2024 HK\$'000 (Unaudited)	March 31, 2024 HK\$'000 (Audited)
Trade receivables	719,934	836,007
Less: allowance for credit losses	(11,486)	(19,499)
	<u>708,448</u>	<u>816,508</u>

The Group allows a credit period of 30 to 120 days (March 31, 2024: 30 to 120 days) to its trade customers.

The following is an aging analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date or bills issuance date at the end of the reporting periods:

	December 31, 2024 HK\$'000 (Unaudited)	March 31, 2024 HK\$'000 (Audited)
Within 60 days	450,522	470,443
61 to 90 days	115,402	115,617
Over 90 days	142,524	230,448
	<u>708,448</u>	<u>816,508</u>

8. AMOUNTS DUE FROM RELATED COMPANIES

	December 31, 2024 HK\$'000 (Unaudited)	March 31, 2024 HK\$'000 (Audited)
Trade balance (<i>Note</i>)	<u>948</u>	<u>167</u>

Amounts due from related companies are trade-related, unsecured, interest-free and with a credit period of 30 days.

Note: Shanghai YCT (listed on ChiNext Board of the Shenzhen Stock Exchange) and its subsidiaries are defined as related companies.

9. TRANSFER OF FINANCIAL ASSETS

As at December 31, 2024, the Group's trade receivables amounting to HK\$21,375,000 (March 31, 2024: HK\$102,391,000) were transferred to banks by discounting those trade receivables and bills received on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as secured borrowings amounting to HK\$72,561,000 (March 31, 2024: HK\$142,481,000).

10. TRADE PAYABLES

The following is an aging analysis of trade payables presented based on the invoice date or bills issuance date at the end of the reporting periods:

	December 31, 2024 HK\$'000 (Unaudited)	March 31, 2024 HK\$'000 (Audited)
Within 30 days	274,729	546,609
31 to 60 days	48,267	189,163
61 to 90 days	<u>2</u>	<u>—</u>
	<u>322,998</u>	<u>735,772</u>

11. LOANS FROM THE ULTIMATE HOLDING COMPANY

On September 27, 2024, Shanghai YCT, the ultimate controlling shareholder of the Company, entered into a loan agreement (the “Loan”) with the Company together with the Company’s PRC subsidiaries. According to the loan, Shanghai YCT would grant loans at the aggregating amount not more than Renminbi (“RMB”) 150,000,000 with effective interest rate at 6.8% per annum to the Company and the Company’s PRC subsidiaries. These loans are unsecured and repayable in one year.

As at December 31, 2024, the carrying amount of the loan from Shanghai YCT was HK\$163,180,000 (March 31, 2024: nil), including loan interest of HK\$1,193,000.

12. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Ordinary shares of HK\$1.00 each		
Authorised		
At April 1, 2023 (Audited), April 1, 2024 (Audited) and December 31, 2024 (Unaudited)	120,000	120,000
Issued and paid up		
At April 1, 2023 (Audited) and April 1, 2024 (Audited)	87,622	87,622
Exercise of share options	70	70
At December 31, 2024 (Unaudited)	87,692	87,692

The Company has no treasury shares.

13. SHARE-BASED PAYMENTS

The Company had on July 30, 2013 adopted the Willas-Array Electronics Employee Share Option Scheme III (“ESOS III”) to grant share options to eligible employees, including the executive directors of the Company and its subsidiaries.

On December 2, 2020, the Company granted share options exercisable for 3,835,000 ordinary shares of HK\$1.00 each of the Company to certain eligible employees under ESOS III with an exercise price of HK\$2.61 per share. The period for the exercise of the share options will commence after the first anniversary of the date of grant and expire on the tenth anniversary of such date of grant. The total estimated fair value as at the date of grant was approximately HK\$2,817,000.

During the nine months ended December 31, 2024, share options holders under ESOS III exercised part of their share options and subscribed for 70,000 shares (year ended March 31, 2024: nil) of HK\$1.00 each of the Company at an exercise price of HK\$2.61 per share. The weighted average closing price of the Company’s shares immediately before the dates on which the options were exercised was HK\$3.18 per share.

The table below discloses movement of the Company’s share options granted under ESOS III:

	Number of share options
Outstanding share options for ordinary shares at April 1, 2023 (Audited)	1,867,000
Forfeited during the year	<u>(854,500)</u>
Outstanding share options for ordinary shares at April 1, 2024 (Audited)	1,012,500
Forfeited during the period	(595,500)
Exercised during the period	<u>(70,000)</u>
Outstanding share options for ordinary shares at December 31, 2024 (Unaudited)	<u><u>347,000</u></u>

13. SHARE-BASED PAYMENTS – continued

Fair values of the share options granted under ESOS III were calculated using the Binomial option pricing model. The inputs into the model were as follows:

	ESOS III December 2, 2020	ESOS III July 17, 2017 (Note)
Grant date		
Share price at valuation date	HK\$2.25	HK\$4.07
Exercise price	HK\$2.61	HK\$4.30
Expected volatility	35.49%	48.41%
Risk-free rate	0.59%	1.49%
Expected dividend yield	0.00%	7.62%
Expected life	10 years	10 years
Exercisable period	9 years	9 years
Vesting period	1 year	1 year
Fair value per share option	HK\$0.73	HK\$1.23

Note: During the prior years, upon the bonus issue of shares becoming effective on August 28, 2018, (i) the exercise price of the outstanding share options granted under ESOS III was adjusted to HK\$3.91 per share; and (ii) the respective numbers of underlying shares comprised in the outstanding share options under ESOS III of the Company have been adjusted accordingly.

During the nine months ended December 31, 2024 and the year ended March 31, 2024, no share-based payment expense was recognised in profit or loss.

14. DIVIDEND

No dividend was declared and paid during the nine months ended December 31, 2024 and the year ended March 31, 2024.

The Board does not recommend the payment of a final dividend for the nine months ended December 31, 2024.

15. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following:

	Group Figures			
	Nine months ended		Year ended	
	December 31, 2024		March 31, 2024	
	Basic	Diluted	Basic	Diluted
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Loss attributable to owners of the Company	(66,110)	(66,110)	(169,223)	(169,223)
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares	87,685,940	87,685,940	87,622,049	87,622,049
Adjustment for dilutive potential ordinary shares	–	N/A	–	N/A
Weighted average number of ordinary shares used to compute loss per share	87,685,940	87,685,940	87,622,049	87,622,049
Loss per share (HK cents)	(75.39)	(75.39)	(193.13)	(193.13)

The computation of diluted loss per share for the nine months ended December 31, 2024 and the year ended March 31, 2024 did not assume the exercise of certain of share options granted by the Company since the exercise price of those share options was higher than the average market price of the shares for the period.

16. NET ASSET VALUE

The net asset value per ordinary share on each of the Group and Company level is shown below:

	Group Figures		Company Figures	
	December 31,	March 31,	December 31,	March 31,
	2024	2024	2024	2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value per ordinary share based on the number of issued shares of the Company at the end of the period/year (HK cents)	471.88	573.47	459.02	452.45

The net asset backing per ordinary share as at December 31, 2024 was based on a total of 87,692,049 (March 31, 2024: 87,622,049) issued ordinary shares.

17. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

As at December 31, 2024

	December 31, 2024 HK\$'000 (Unaudited)	March 31, 2024 HK\$'000 (Audited)
Non-current assets		
Amount due from a subsidiary	33,814	33,814
Interests in subsidiaries	179,478	177,255
Total non-current assets	213,292	211,069
Current assets		
Amounts due from subsidiaries	197,917	197,391
Deposits and prepayments	145	167
Income tax recoverable	–	247
Cash and cash equivalents	672	261
Total current assets	198,734	198,066
Total assets	412,026	409,135
Current liabilities		
Amount due to a subsidiary	4,738	5,013
Other payables	1,992	951
Income tax payable	550	–
Financial guarantee liabilities	2,223	6,723
Total current liabilities	9,503	12,687
Net current assets	189,231	185,379
Total assets less current liabilities	402,523	396,448
Capital and reserves		
Share capital	87,692	87,622
Reserves	314,831	308,826
Equity attributable to owners of the Company	402,523	396,448
Total liabilities and equity	412,026	409,135

18. INFORMATION ABOUT THE STATEMENT OF CHANGES IN EQUITY OF THE COMPANY*For the nine months ended December 31, 2024*

	Share capital	Capital reserves	Accumulated profits	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At April 1, 2023 (Audited)	87,622	199,780	100,722	388,124
Profit for the year, representing total comprehensive income for the year	–	–	8,324	8,324
Transactions with owners, recognised directly in equity:				
Share options forfeited	–	(752)	752	–
Total	–	(752)	752	–
At March 31, 2024 (Audited)	87,622	199,028	109,798	396,448
Profit for the period, representing total comprehensive income for the period	–	–	5,892	5,892
Transactions with owners, recognised directly in equity:				
Exercise of share options	70	113	–	183
Share options forfeited	–	(503)	503	–
Total	70	(390)	503	183
At December 31, 2024 (Unaudited)	87,692	198,638	116,193	402,523

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the nine months ended December 31, 2024, the Group recorded a loss attributable to owners of the Company of HK\$66.1 million, compared to the net attributable loss of HK\$169.2 million posted in the preceding financial year ended March 31, 2024 (the “Preceding Financial Year”).

The decrease in net loss was mainly attributed to: (i) a decrease in exchange loss arising from the depreciation of the Renminbi against Hong Kong dollars in the nine months ended December 31, 2024 as compared to the Preceding Financial Year where there was significant exchange difference; (ii) net impairment losses reversed under expected credit loss on trade receivables in the nine months ended December 31, 2024 as compared to the Preceding Financial Year when there was recognition of impairment losses; (iii) a decrease in finance costs mainly due to lower weighted average effective interest rate in the nine months ended December 31, 2024 as compared to the Preceding Financial Year and (iv) a decrease in staff costs in the nine months ended December 31, 2024 due to the Group’s proactive review and streamlining of its cost structure, aimed at achieving better capital efficiency across its operations.

To mitigate operational risks associated with obsolete inventory, the Group implemented proactive inventories reduction initiatives. The impairment of inventories decreased significantly to HK\$28.2 million in the nine months ended December 31, 2024, compared to HK\$83.4 million in the Preceding Financial Year. This strategic destocking effort accelerated cash recovery and enhanced liquidity management, thereby contributing to further improvement in the Group’s operating performance.

Excluding the impairment of inventories of HK\$28.2 million, net impairment losses reversed under expected credit loss model of HK\$7.8 million, the adjusted loss attributable to owners of the Company would have been HK\$45.7 million in the nine months ended December 31, 2024.

Revenue

The Group’s revenue decreased by 31.4% to HK\$1,828.9 million as all the Group’s segments reported weaker sales in the nine months ended December 31, 2024, as compared to revenue of HK\$2,664.9 million in the Preceding Financial Year.

Revenue by Market Segment Analysis

	Nine months ended December 31, 2024		Year ended March 31, 2024		Increase/(Decrease)	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Automotive	488,862	26.7%	797,361	29.9%	(308,499)	-38.7%
Industrial	485,185	26.5%	595,831	22.4%	(110,646)	-18.6%
Home Appliance	324,663	17.9%	444,031	16.7%	(119,368)	-26.9%
Electronic Manufacturing Services ("EMS")	156,681	8.6%	236,024	8.8%	(79,343)	-33.6%
Dealer	135,833	7.4%	182,734	6.8%	(46,901)	-25.7%
Audio and Video	112,085	6.1%	157,594	5.9%	(45,509)	-28.9%
Telecommunications	79,260	4.3%	170,395	6.4%	(91,135)	-53.5%
Lighting	30,788	1.7%	55,171	2.1%	(24,383)	-44.2%
Others	15,543	0.8%	25,742	1.0%	(10,199)	-39.6%
	<u>1,828,900</u>	<u>100.0%</u>	<u>2,664,883</u>	<u>100.0%</u>	<u>(835,983)</u>	<u>-31.4%</u>

Automotive

The Automotive segment remained the Group's largest revenue generator, contributing sales of HK\$488.9 million in the nine months ended December 31, 2024. Although this was a 38.7% decrease in revenue as compared to the Preceding Financial Year, the Group remain optimistic that in the long term this segment is worthy of investment. With the global push towards net zero carbon emission, the growing international demand for new energy vehicles with smart vehicle-road-cloud integrated systems and trend of autonomous driving, the potential of this segment remains strong. It continues to enjoy ongoing support from the PRC Government for the development of new energy vehicles.

Industrial

Revenue from the Industrial segment declined 18.6% to HK\$485.2 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. Although the segment was affected by a decline in exports and domestic demand in PRC, the Group is confident of this segment's potential which will continue to benefit from the development of PRC, in particular the industrialisation of city infrastructure, energy saving initiative and factory automation. The Group will closely monitor changes in market situation and to seize opportunities.

Home Appliance

Revenue from the Home Appliance segment declined 26.9% to HK\$324.7 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. Demand for this segment was affected by weak global consumer electronics market which affected export sales, as well as slower domestic demand for home appliances. Domestically, demand for home appliances was affected by the cooling measures implemented in PRC's real estate market. The Group will monitor the situation closely and maintained a reasonable inventory level.

EMS

The EMS segment recorded a decline in revenue of 33.6% to HK\$156.7 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. The decline was mainly due to the continued trade tensions that have weakened the export market.

Dealer

The Dealer segment recorded a decline in revenue of 25.7% to HK\$135.8 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. The segment's revenue contribution was affected by similar constraints faced by other segments, primarily due to weak exports and domestic demand for consumer electronics.

Audio and Video

Revenue from the Audio and Video segment declined 28.9% to HK\$112.1 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. Given the current high interest rate environment, demand for consumer electronics is expected to remain weak. The Group will carefully monitor this segment to ensure that inventory levels are healthy.

Telecommunications

Revenue from the Telecommunication segment declined 53.5% to HK\$79.3 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. The decline was mainly due to weak consumer demand for mobile phones, which affected overall demand for smartphone components. The Group will closely monitor the performance of this segment and the change in the mobile phone market.

Lighting

Revenue from the lighting segment declined 44.2% to HK\$30.8 million as compared to the Preceding Financial Year. The performance of the segment reflected the weak demand in the consumer and commercial lighting markets.

Others

Revenue from the Others segment declined 39.6% to HK\$15.5 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. The decline was mainly due to weak consumer confidence and spending. However, the growing integration of Artificial Intelligence (“AI”) across more devices is expected to boost the demand for electronic components. The Group has allocated more resources to support this trend.

Gross Profit Margin

The Group’s gross profit margin slightly increased to 4.0% in the nine months ended December 31, 2024 from 3.8% in the Preceding Financial Year. The Group’s profit margin maintained at a similar level as the Preceding Financial Year. The slightly increase in margin can be attributed to proactive management of inventory levels leading to a reduction in stock provision from HK\$83.4 million to HK\$28.2 million.

Other Income

Other income increased by HK\$0.8 million to HK\$3.0 million in the nine months ended December 31, 2024 from HK\$2.2 million in the Preceding Financial Year, mainly due to the non-recurring subsidy of approximately HK\$1.3 million tax rebate from the Chinese government.

Distribution Costs

Distribution costs decreased by HK\$4.3 million in the nine months ended December 31, 2024 to HK\$18.3 million in the nine months ended December 31, 2024 from HK\$22.6 million in the Preceding Financial Year. The decrease was mainly due to the cost control and monitoring measures implemented by the Group.

Administrative Expenses

Administrative expenses decreased by HK\$60.4 million or 35.2% to HK\$111.2 million in the nine months ended December 31, 2024 from HK\$171.6 million in the Preceding Financial Year. This was mainly due to the Group’s proactive review and streamlining of its cost structure, aimed at achieving better capital efficiency across its operations.

Other Gains and Losses

Other gains of HK\$0.1 million were incurred in the nine months ended December 31, 2024 (year ended March 31, 2024: HK\$17.3 million). RMB maintained relative stability against the US dollar (“USD”) during the nine months ended December 31, 2024, while experiencing moderated fluctuations against the Hong Kong dollar (“HKD”) as compared to the Preceding Financial Year.

Impairment Losses Reversed (Recognised) Under Expected Credit Loss Model, Net

There was a reversal of net impairment losses of HK\$7.8 million in the nine months ended December 31, 2024 (year ended March 31, 2024: Recognition of impairment losses of HK\$7.8 million), which was mainly represented the reversal of impairment losses on trade receivables in the Preceding Financial Year.

Finance Costs

Finance costs, which comprises interest expenses on trust receipt loans and bank borrowings, interest on lease liabilities and interest on loans from the ultimate holding company, decreased by HK\$25.7 million or 48.8% to HK\$26.9 million in the nine months ended December 31, 2024 from HK\$52.6 million in the Preceding Financial Year. The decrease in interest expenses was mainly due to the decrease in the weighted average effective interest rate.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position

Trust receipt loans decreased by HK\$128.2 million to HK\$140.0 million as at December 31, 2024, from HK\$268.2 million as at March 31, 2024. The decrease was mainly due to the group's strategic refinancing of debt, whereby higher-interest-rate trust receipt facilities were replaced with lower-cost bank loans.

Trade payables decreased to HK\$323.0 million as at December 31, 2024, from HK\$735.8 million as at March 31, 2024. The decrease was due to the higher repayment to suppliers towards the end of the financial period under review as compared to the Preceding Financial Year.

Trade receivables decreased by HK\$108.1 million to HK\$708.4 million as at December 31, 2024, from HK\$816.5 million as at March 31, 2024. The Group generally allows an average credit period of 30 to 120 days to its trade customers. The debtor turnover days slightly decreased to 3.6 months from 3.7 months as at March 31, 2024, reflecting consistent credit management practices and aligned customer payment behaviours under the group's tightened collection policies.

As at December 31, 2024, the Group's current ratio (current assets divided by current liabilities) was 1.20 (March 31, 2024: 1.20).

Inventories

Inventories decreased to HK\$415.9 million as at December 31, 2024, from HK\$707.7 million as at March 31, 2024. The inventory turnover days decreased to 2.2 months as at December 31, 2024, from 3.4 months as at March 31, 2024. The significant reduction in inventory value was primarily driven by the Group's proactive inventory clearance initiatives, which included targeted promotional campaigns and accelerated liquidation of slow-moving stock.

Cash Flow

As at December 31, 2024, the Group had a working capital of HK\$196.1 million which included a cash balance of HK\$41.4 million, compared to a working capital of HK\$268.5 million which included a cash balance of HK\$68.9 million as at March 31, 2024. The decrease in cash by HK\$27.5 million was primarily attributable to the net effect of cash outflow of HK\$86.5 million used in operating activities and cash inflow of HK\$62.0 million generated from financing activities. The Group's cash balance was mainly denominated in USD, RMB and HKD.

Cash outflow used in operating activities was mainly due to the net effect of the decrease in trade payables, inventories and trade receivables.

Cash inflow generated from financing activities was mainly attributable to proceeds from the loans from ultimate holding company during the period under review.

Borrowings and Banking Facilities

As at December 31, 2024, the Group had bank borrowings of HK\$316.9 million, which were repayable within one year. Among the Group's bank borrowings, 84.2% was denominated in RMB, 15.6% was denominated in USD and the remainder was denominated in HKD. As at December 31, 2024, the fixed-rate bank borrowings and the variable-rate bank borrowings accounted for 99.8% and 0.2%, respectively. The fixed-rate bank borrowings bore interest at a weighted average effective rate of 3.78% per annum, while variable-rate bank borrowings bore interest at a weighted average effective rate of 5.62% per annum.

As at December 31, 2024, trust receipt loans of HK\$140.0 million were unsecured and repayable within one year and bore interest at a weighted average effective rate of 6.95% per annum. 100% of the trust receipt loans was denominated in USD. As at December 31, 2024, the Group had unutilised banking facilities of HK\$314.6 million (March 31, 2024: HK\$489.6 million).

The aggregate amount of the Group's borrowings and debt securities was as follows:

Amount repayable in one year or less, or on demand

As at December 31, 2024		As at March 31, 2024	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
279,917	177,032	489,548	75,908

Amount repayable after one year

As at December 31, 2024		As at March 31, 2024	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
—	—	—	—

As at December 31, 2024, the Group's trade receivables amounting to HK\$21.4 million (March 31, 2024: HK\$102.4 million) were transferred to banks by discounting those trade receivables and bills received on a full recourse basis. As the Group had not transferred the significant risks and rewards relating to these receivables, it had continued to recognise the full carrying amount of the receivables and had recognised the cash received on the transfer as secured borrowings amounting to HK\$72.6 million (March 31, 2024: HK\$142.5 million).

As at December 31, 2024, the Group's remaining secured bank borrowings amounting to HK\$67.3 million (March 31, 2024: HK\$78.8 million) had been secured by the pledge of certain bills receivables held by the Group amounting to HK\$10.7 million (March 31, 2024: HK\$13.1 million).

Foreign Exchange Risk Management

The Group operates in Hong Kong, the PRC and Taiwan. It incurred foreign currency risk mainly on sales and purchases that were denominated in currencies other than its functional currencies. Sales are mainly denominated in USD, RMB and HKD whereas purchases are mainly denominated in USD, Japanese yen ("JPY"), RMB and HKD. Therefore, the exposure in foreign exchange rate risks mainly arises from fluctuations in foreign currencies against the functional currencies. Given the pegged foreign exchange rate between HKD and USD, the exposure of entities that use HKD as their respective functional currencies to the fluctuations in USD is minimal. However, foreign exchange rate fluctuations between RMB and USD, RMB and JPY, HKD and JPY, or Taiwan dollars and USD could affect the Group's performance and asset value. The Group has a foreign currency hedging policy to monitor and maintain its foreign exchange exposure at an acceptable level.

Net Gearing Ratio

As at December 31, 2024, the Group's net gearing ratio was 141.4% (March 31, 2024: 99.5%). The net gearing ratio was derived by dividing net debts (representing interest-bearing bank borrowings, trust receipt loans, loans from the ultimate holding company and bills payables minus cash and cash equivalents) by shareholders' equity at the end of a given period and multiplied by 100%. The increase was mainly due to increase in loans from the ultimate holding company, decreases in cash and cash equivalents and shareholders' equity (resulting from the loss in respect of the nine months ended December 31, 2024).

STRATEGY AND PROSPECTS

In the current complicated economic and trade environment in the globe, geopolitical risks continue to rise, promoting local customers and suppliers to accelerate their strategic presence in emerging markets including Southeast Asia. Against this backdrop, the Group will actively build itself as a platform for local suppliers and customers to expand their presence overseas. By integrating regional supply chains and coordinating resources, we will help partners to mitigate geopolitical risks and seize growth opportunities in regional markets.

The Group strives to become the preferred platform for small and medium-sized suppliers, by continuously introducing quality suppliers to further diversify the supply-side ecosystem of our products and services. Leveraging our established platform service capability and local advantages, we will customize cooperation plans and promote business penetration for core customers to strengthen long-term strategic partnerships with them and increase our market share in their business segments gradually.

In order to build differentiated competitiveness, the Group will focus on high-growth segments such as automotive electronics, AI and low-altitude economy, with an aim of becoming a leading enterprise in such segments.

Looking ahead, the Group will further strengthen the expansion and development of new customers. Leveraging on its advantages in niche segments, a robust supplier platform and market resources accumulated in Southeast Asia and other regions, the Group will continue to expand customer coverage. By enhancing market influence and business resilience, the Group is committed to achieving a sustainable growth and turning challenges into opportunities in the dynamic market environment, thus creating values for its shareholders and partners in the long term.

IMPORTANT EVENTS AFFECTING THE GROUP AFTER THE END OF THE REPORTING PERIOD

Reference is made to the Company's announcement dated February 10, 2025, the Company entered into the 2025 Master Supply Framework Agreement with Shanghai YCT, pursuant to which the Company agreed, for and on behalf of the Group, to supply, and Shanghai YCT agreed, for and on behalf of the Shanghai YCT Group, to purchase certain semi-conductor electronic component products from time to time from the date of the conclusion of the special general meeting of the Company ("SGM") to December 31, 2027. On February 10, 2025, the Company entered into the 2025 Master Purchase Framework Agreement with Shanghai YCT, pursuant to which the Company agreed, for and on behalf of the Group, to purchase, and Shanghai YCT agreed, for and on behalf of the Shanghai YCT Group, to sell certain semi-conductor electronic component products from time to time from the date of the conclusion of the SGM to December 31, 2027. The transactions contemplated under the 2025 Master Supply Framework Agreement and the 2025 Master Purchase Framework Agreement (the "Continuing Connected Transactions") are subject to the reporting, annual review, announcement, and independent shareholder approval requirements under Chapter 14A of the Rules Governing the Listing of Securities on the SEHK. The Company intends to seek approval from shareholders for the adoption of a general mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST (the "Proposed IPT General Mandate") for the Continuing Connected Transactions.

Pursuant to the announcements of the Company dated February 10, 2025 and March 10, 2025, the Company intends to undertake a change of its auditors from Deloitte & Touche LLP to Ernst & Young LLP (the "Proposed Change of Auditors"). Pursuant to Rule 712(3) of the Listing Manual of the SGX-ST, the Proposed Change of Auditors must be specifically approved by Shareholders in a general meeting. Pursuant to the notice of SGM dated March 24, 2025, as announced on March 21, 2025, the Company will convene an SGM on April 8, 2025, at 9:30 a.m. at Level 3, Far East Group Building, 51 Ubi Ave 3, Singapore 408858 to seek Shareholders' approval for the Proposed Change of Auditors, in compliance with Rule 712(3) of the Listing Manual of the SGX-ST.

The Company will make the necessary arrangements to convene a SGM to seek Shareholders' approval for, among others, the Continuing Connected Transactions and the Proposed IPT General Mandate.

Save as disclosed above, there were no other important events affecting the Group that have occurred after the end of the reporting period.

DIVIDEND AND ANNUAL GENERAL MEETING

The Board does not recommend the payment of a final dividend for the nine months ended December 31, 2024 (year ended March 31, 2024: nil). No dividend has been declared for the nine months ended December 31, 2024 as the Group intends to retain cash for its business operations and future growth.

It is proposed that the annual general meeting of the shareholders of the Company will be held on a date to be fixed by the Board. Notice of annual general meeting will be published and dispatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The Company will make a separate announcement to confirm the date for the closure of register of members of the Company in respect of shareholders' entitlement to attend the forthcoming annual general meeting of the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at December 31, 2024, the Group had a workforce of 312 (March 31, 2024: 325) full-time employees, of which 19.23% worked in Hong Kong, 76.28% in the PRC and the remainder in Taiwan.

The Group actively pursues a strategy of recruiting, retaining and developing talented employees by (i) providing them with regular training programmes to ensure that they are kept abreast of the latest information pertaining to the products distributed by the Group, technological developments and market conditions of the electronics industry; (ii) aligning employees' compensation and incentives or bonus with their performance; and (iii) providing them with a clear career path with opportunities for taking on additional responsibilities and securing promotions. Besides, the Company has adopted an employee share option scheme to reward the directors of the Company (the "Directors") and the eligible employees for their contribution to the Group.

While the Group's employees in Hong Kong and Taiwan are required to participate in the mandatory provident fund scheme and a defined contribution pension scheme, respectively, the Group makes contributions to various government-sponsored employee-benefit funds, including social insurance fund, housing fund, basic pension insurance fund and unemployment, maternity and work-related insurance funds for its employees in the PRC in accordance with the applicable PRC laws and regulations.

Further, the remuneration committee of the Board (the "Remuneration Committee") reviews and recommends to the Board the remuneration and compensation packages of the Directors and senior management of the Group by reference to the salaries paid by comparable companies, their time commitment, responsibilities and performance as well as the financial results of the Group.

CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at December 31, 2024 (March 31, 2024: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the nine months ended December 31, 2024, the Company did not redeem any of its securities listed on the Main Board of the SEHK and the SGX-ST nor did the Company or any of its subsidiaries purchase or sell any of such securities.

COMPLIANCE WITH CORPORATE GOVERNANCE CODES

The Board and the Company's management are committed to maintaining high standards of corporate governance. The Board firmly believes that conducting the Group's business in a transparent and responsible manner and following good corporate governance practices serve its long-term interests and those of the Shareholders. The Board considers that during the nine months ended December 31, 2024, the Company had complied with all the code provisions set out in the Corporate Governance Code as contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the SEHK (the "HK Listing Rules" and the "HK CG Code", respectively) and the Code of Corporate Governance 2018 of Singapore (the "Singapore CG Code").

In the event of any conflict among the HK CG Code, the Singapore CG Code and the bye-laws of the Company, the Company will comply with the most onerous provisions. As such, the Board considers that sufficient measures are in place to ensure the adequateness of the Company's corporate governance practices relating to, amongst others, the appointment, retirement and re-election of Directors (including independent non-executive Directors (the "INEDs")).

COMPLIANCE WITH HONG KONG MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the HK Listing Rules (the "HK Model Code") as its own code of conduct for dealing in the securities of the Company by the Directors. Following a specific enquiry made by the Company with each of the current Directors, all of them confirmed that they had complied with the required standards as set out in the HK Model Code throughout the nine months ended December 31, 2024.

REVIEW OF UNAUDITED FINAL RESULTS

As at the date of this announcement, for the reasons as disclosed in the announcement dated March 10, 2025, the auditing process for the final results for the nine months ended December 31, 2024 has not been completed. The unaudited final results contained herein have yet to be agreed with the Company's incoming auditor, Ernst & Young LLP. In order to keep the Shareholders and the potential investors of the Company informed of the Group's business operation and financial position, the Board has decided to publish the unaudited final results of the Company for the nine months ended December 31, 2024. Pursuant to Rule 13.49(3) of the HK Listing Rules, if the Company is unable to publish the audited final results within the prescribed timeframe, it must announce its results prepared based on the financial results which have yet to be agreed with the Company's incoming auditor (so far as such information is available).

An announcement relating to the audited results will be made as soon as practicable when the appointment of the Company's incoming auditor has been approved at the special general meeting and the auditing process has been completed in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board.

Pursuant to the waiver granted by the SGX-ST as announced on March 25, 2025, for the Company's extension of time to comply with Rules 705(1), 707(1) and 711A of the Listing Manual of the SGX-ST, the SGX-ST has granted an extension till June 30, 2025, for the Company to hold its annual general meeting for the nine months ended December 31, 2024. The annual report, containing the audited final results, will be announced and dispatched to Shareholders in accordance with Rule 707(2) of the Listing Manual of the SGX-ST, at least 14 days before the annual general meeting.

The Board has established the audit committee of the Board (the "Audit Committee") with written terms of reference in compliance with the HK CG Code, the HK Listing Rules, the Singapore CG Code and the Listing Manual of the SGX-ST. The Audit Committee currently comprises all of the four INEDs, namely Lau Chin Huat (committee chairman), Chong Eng Wee, Tso Sze Wai and Jiang Maolin. The unaudited final results contained herein have been reviewed by the audit committee of the Company.

PUBLICATION OF UNAUDITED FINAL RESULTS ANNOUNCEMENT INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED (THE "HKEX"), THE COMPANY AND THE SGX-ST

This unaudited final results announcement is published on the website of the HKEX at www.hkexnews.hk, the website of the Company at www.willas-array.com.cn and the website of the SGX-ST at www.sgx.com.

FURTHER ANNOUNCEMENT(S)

Following the completion of the auditing process, the Company will issue further announcement(s) in relation to (i) the audited results for the nine months ended December 31, 2024 as agreed by the Company's auditor and the material differences (if any) as compared with the unaudited final results contained herein.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on September 30, 2024 and will continue to be suspended pending the fulfilment of the Resumption Guidance and the grant of approval of the Stock Exchange for the resumption of trading of the Shares. The Company will keep the Shareholders and potential investors informed of the latest progress as and when appropriate as well as announce quarterly update on its development pursuant to Rule 13.24A of the HK Listing Rules.

Holders of the Company's securities and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

SUPPLEMENTARY INFORMATION

- 1. Where a forecast, or a prospect statement, has been previously disclosed to Shareholders, is there any variance between it and the actual results***

As disclosed in the announcement on profit guidance dated March 18, 2025, no material variance between the mentioned announcement and the actual results was noted.

- 2. If the Group has obtained a general mandate from Shareholders for interest person transactions (the "IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of the SGX-ST. If no IPT mandate has been obtained, a statement to that effect***

No general mandate has been obtained from the Shareholders for IPTs.

3. *A breakdown of sales*

	Group		
	Nine months ended December 31, 2024 HK\$'000	Year ended March 31, 2024 HK\$'000	Increase (Decrease) %
(a) Sales reported for first half year	1,189,829	1,359,457	-12.5%
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(62,160)	(95,264)	-34.7%
(c) Sales reported for second half year	639,071	1,305,426	-51.0%
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(3,951)	(74,033)	-94.7%

NM – Not Meaningful

4. *A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year*

	Total Annual Dividend	
	Latest Full Year HK\$'000	Previous Full Year HK\$'000
(a) Ordinary	—	—
(b) Preference	—	—
Total:	—	—

5. *Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual of the SGX-ST in the format below. If there are no such persons, the issuer must make an appropriate negative statement*

Pursuant to Rule 704(13) of the listing manual of the SGX-ST, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

6. *Undertakings from the Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual of the SGX-ST*

On behalf of the Board, we confirm that we have procured all the required undertakings to comply with the listing manual of the SGX-ST from all the directors and executive officers of the Company.

The financial information contained herein in respect of the final results of the Group have not been audited and have not been agreed with the auditor. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Willas-Array Electronics (Holdings) Limited
Xie Lishu
Chairman and Executive Director

Hong Kong/Singapore, March 28, 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Xie Lishu (Chairman) and Fan Qinsheng; one non-executive Director, Huang Shaoli; and four Independent non-executive Directors, namely Chong Eng Wee (Lead Independent Director), 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.