

This format of the financial statements is not exhaustive. Listed companies should include separate disclosure of any items which is material because of its size and/or incidence so as to give a proper understanding of the group's performance.

Adequate disclosure should be given to explain any material extraordinary item either as a footnote of the material extraordinary item or in the "Review of the performance of the company and its principal subsidiaries".

## WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

### Full Year Financial Statement And Dividend Announcement

Full-year financial statement on consolidated results for the year ended 31<sup>st</sup> March, 2002.

These figures have not been audited.

		Group			Company		
		HK\$'000		%	HK\$'000		%
		2002	2001 (Proforma)	Change	2002	2001	Change
1.(a)	Turnover	957,056	1,203,765	-20.5	12,000	24,000	-50.0
1.(b)	Investment income	0	0	0	0	0	0
1.(c)	Other income including interest income	15,727	8,572	83.5	1,556	50	3,012.0
2.(a)	Operating profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	35,832	79,763	-55.1	12,025	23,723	-49.3
2.(b)(i)	Interest on borrowings	8,142	14,376	-43.4	0	0	0
2.(b)(ii)	Depreciation and amortisation	4,609	4,120	11.9	0	0	0
2.(b)(iii)	Foreign exchange gain/(loss)	3,959	2,544	55.6	0	0	0
2.(c)	Exceptional items	0	0	0	0	0	0
2.(d)	Operating profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	27,040	63,811	-57.6	12,025	23,723	-49.3

		Group			Company		
		HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
		2002	2001 (Proforma)	Change	2002	2001	Change
2.(e)	Income derived from associated companies	0	0	0	0	0	0
2.(f)	Less income tax	(5,792)	(11,131)	-48.0	0	0	0
2.(g)(i)	Operating profit after tax before deducting minority interests	21,248	52,680	-59.7	12,025	23,723	-49.3
2.(g)(ii)	Less minority interests	0	0	0	0	0	0
2.(h)	Operating profit after tax attributable to members of the company	21,248	52,680	-59.7	12,025	23,723	-49.3
2.(i)(i)	Extraordinary items	0	0	0	0	0	0
2.(i)(ii)	Less minority interests	0	0	0	0	0	0
2.(i)(iii)	Extraordinary items attributable to members of the company	0	0	0	0	0	0
2.(i)(iv)	Transfer to/from Exchange Reserve	0	0	0	0	0	0
2.(i)(v)	Transfer to Capital Reserve	0	0	0	0	0	0
2.(i)(vi)	Transfer to Reserve Fund	0	0	0	0	0	0
2.(j)	Operating profit after tax and extraordinary items attributable to members of the company	21,248	52,680	-59.7	12,025	23,723	-49.3

Note: The proforma group results in 2001 has been prepared on the assumption that the current group structure had been in existence throughout the period under review or since the dates of incorporation or formulation of the companies in the group, if later.

		Group Figures	
		Latest year	Previous year
3.(a)	Operating profit [2(g)(i) above] as a percentage of turnover [1(a) above]	2.22%	4.38%
3.(b)	Operating profit [2(h) above] as a percentage of issued capital and reserves at end of year	9.71%	35.74%
3.(c)	Earnings per ordinary share for the year based on 2(h) above after deducting any provision for preference dividends:-		
	(i) Based on existing issued share capital	8.41 (HK Cents)	24.79 (HK Cents)
	(ii) On a fully diluted basis	N/A	N/A
3.(d)	Earnings per share based on 2(j) above:-		
	(i) Based on existing issued share capital	8.41 (HK Cents)	24.79 (HK Cents)
	(ii) On a fully diluted basis	N/A	N/A
3.(e)	Net tangible asset backing per ordinary share	82.26 (HK Cents)	69.36 (HK Cents)

The earnings per share for the current year is based on the weighted average number of 252,515,000 ordinary shares of HK\$0.20 each in issue during the financial year. The basic earnings per share for the previous year is based on the pre-invitation issued share capital of 212,500,000 shares of HK\$0.20 each.

The fully diluted earnings per share for 2002 is not shown as the effect of dilution in respect of the exercise of share option is not material. No disclosure of the diluted earnings per share for 2001 is shown as there were no dilutive potential ordinary shares in issue.

The net tangible asset backing per ordinary share as at 31st March, 2002 is based on the issued share capital of 266,000,000 shares of HK\$0.20 each at that date. The net tangible asset backing per ordinary share as at 31st March, 2001 is based on the pre-invitation issued share capital of 212,500,000 shares.

		Group			Company		
		HK\$'000		%	HK\$'000		%
		2002	2001	Change	2002	2001	Change
4.(a)	Sales reported for first half year	500,905	672,438	-25.5	0	0	0
4.(b)	Operating profit [2(g)(i) above] reported for first half year	10,696	33,903	-68.5	(325)	0	0
4.(c)	Sales reported for second half year	456,151	531,327	-14.1	12,000	24,000	-50.0
4.(d)	Operating profit [2(g)(i) above] reported for second half year	10,552	18,777	-43.8	12,350	23,723	-47.9

5.(a) Amount of any adjustment for under or overprovision of tax in respect of prior years

Underprovision of income tax in prior year for the year ended 31<sup>st</sup> March, 2002 amounted to HK\$73,000.

5.(b) Amount of any pre-acquisition profits

NIL

5.(c) Amount of profits on any sale of investments and/or properties

Sale of investments/properties	\$Profit/(Loss)
NIL	

5.(d) Any other comments relating to Paragraph 5

NIL

6. Segmental Results

(a) Geographical Segments

Turnover by Geographical Regions

	Turnover		EBIT	
	2002 HK\$'000	2001 HK\$'000	2002 HK\$'000	2001 HK\$'000
Hong Kong	728,083	929,879	35,846	69,826
People's Republic of China	213,676	230,959	(789)	7,125
Others	15,297	42,927	125	1,236
	<u>957,056</u>	<u>1,203,765</u>	<u>35,182</u>	<u>78,187</u>

(b) Business Segments

As the operations of the Group are in distribution of electronics components, the assets and revenue of the Group as at March 31, 2002 and March 31, 2001 and for the financial years then ended are respectively deployed in and derived from this business segment.

7.(a) Review of the performance of the company and its principal subsidiaries

For the year ended 31<sup>st</sup> March, 2002, the Group had achieved a turnover of HK\$957 million, a decline of about 20.5% as compared to fiscal year 2001. The decrease in turnover was mainly attributable to a general slow down of the economy, in particular the electronics industry. The 11<sup>th</sup> September, 2001 incident further dampened the already depressed global demand for electronics equipment, and in turn, the demand for electronics components. As a result, there was an erosion of the margin. As such operating profit after tax has shown a larger decline to HK\$21.2 million, a decrease of 59.7% as compared to fiscal year 2001.

Other income increased due to an increase in commission income received from one of our major principals. It represents mainly incentive rebate for achieving certain sales target.

Interest on borrowing showed a substantial decrease due to decrease in interest rate for the year and less usage of trade facilities as well as due to decrease in inventory level.

7.(b) A statement by the Directors of the Company on whether "any item or event of a material or unusual nature which would have affected materially the results of operations of the Group and Company has occurred between the date to which the report refers and the date on which the report is issued". If none, to include a negative statement.

In the opinion of the directors, no item, transaction or event of a material or unusual nature has arisen since the end of the period under review to the date of this Announcement, which will affect substantially the results of the operations of the Group and of the company for the twelve months ended 31<sup>st</sup> March, 2002.

8. Commentary on current year prospects

With China's entry into the World Trade Organisation, increased expansion and penetration into this market has become the Group's key strategic thrust for growth. As part of our plan to fortify our presence in China, the company has established a logistic centre in Waigaoqiao in the Free Trade Zone in Shanghai that will provide warehousing and logistic support in China. With the tremendous business potential in Suzhou/Shanghai area, this subsidiary is a tactical move as many of our principals as well as potential customers are situated around this region. Moreover as a logistics centre, the company will be able to trade more effectively and cut down its operational costs, which can translate into cost savings for our customers and ultimately generate greater demand for our components.

Besides establishing a subsidiary in China, South Korea has always been perceived to be the market with the greatest growth potential for electronics components. The company has formed a joint venture in South Korea in May 2002. The Korean partners have in-depth knowledge of electronics components market and extensive network of contacts in Korea. In additions, their engineering capabilities allow them to pro-actively undertake design and application for customers which will enable us to establish a strong market presence in South Korea.

The electronics components distribution industry, which has been plagued by pricing pressures in last year, is expected to continue to compete vigorously due to volatility in supply and demand of components. Notwithstanding that the path is still fraught with economic uncertainties and market volatility, we believe that with our strategic positioning of resources, the Group should be in a position to take advantage of a recovery. We are hopeful about the prospective growth in both China and other Asia Pacific region and we are stepping up efforts aggressively to achieve greater market share. In addition, we will continue to focus on ways to improve efficiencies, reduce costs, source for new business and cultivate stronger relationships with our customers and principals.

Since the start of this current year, we have seen orders picking up. If the growth momentum we have seen so far continues into the second half of the year, and barring any surprises, we expect to do better this year.

9. Dividend

(a) Any dividend declared for the present financial period?

*(a) Present Period*

Name of Dividend	First & final
Dividend Type	Cash
Dividend Rate	HK\$0.0443 per ordinary share (equivalent to S\$0.01)
Par value of shares	HK\$0.20 each
Tax Rate	Not applicable

(b) Any dividend declared for the previous corresponding period?

*(b) Previous Corresponding Period*

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	HK\$2.30 per ordinary share
Par value of shares	HK\$0.10 each
Tax Rate	Not applicable

*(c) Total Annual Dividend*

	Latest Year (HK\$'000)	Previous Year (HK\$'000)
Ordinary	11,784	23,000
Preference	0	0
Total:	11,784	23,000

(d) Date payable

The proposed first and final dividend, if approved by shareholders of the Company at the Annual General Meeting to be held on 23<sup>rd</sup> August, 2002, will be payable on 13<sup>th</sup> September, 2002.

(e) Books closing date

NOTICE IS HEREBY GIVEN that the Share Transfer books and Register of Members of the Company will be closed on 3rd September, 2002 on which day no share transfer will be effected. Duly completed transfers received by the Company's Share Transfer Agent, Compact Administrative Services Pte Limited of 95 South Bridge Road, #10-10 Pidemco Centre, Singapore 058717 up to the close of business at 5:00 p.m. on 2nd September, 2002 will be registered to determine shareholders' entitlements to the proposed dividend.

(f) Any other comments relating to Paragraph 9

NIL

10. Balance sheet

	The Group		The Company	
	31/03/2002 HK\$'000	31/03/2001 HK\$'000	31/03/2002 HK\$'000	31/03/2001 HK\$'000
Current assets	397,135	365,035	74,019	8,735
Non-current assets				
Property, plant and equipment	36,049	37,418	--	--
Other investments	810	810	--	--
Subsidiaries	--	--	117,470	117,470
	<hr/>	<hr/>	<hr/>	<hr/>
	433,994	403,263	191,489	126,205
Current liabilities	183,607	253,428	10,201	7,912
Non-current liabilities	31,576	2,436	--	--
Shareholders' equity				
Issued capital	53,200	1,000	53,200	1,000
Reserves	165,611	146,399	128,088	117,293
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	433,994	403,263	191,489	126,205

11. Details of any changes in the company's issued share capital

	Number of shares	HK\$
Issued and fully paid-up ordinary shares of HK\$0.10 each as at 1 <sup>st</sup> April, 2001	10,000,000 =====	1,000,000 =====
Consolidation of every two ordinary shares of HK\$0.10 each held into one ordinary of HK\$0.20 each	5,000,000	1,000,000
Bonus issue of 83 new ordinary shares of HK\$0.20 each for every two ordinary shares of HK\$0.20 each held	207,500,000	41,500,000
New shares issue pursuant to the invitation	53,500,000 -----	10,700,000 -----
Issued and fully paid-up ordinary shares of HK\$0.20 each as at 31 <sup>st</sup> March, 2002	266,000,000 =====	53,200,000 =====

The invitation was for the purpose of the listing of the Company on the SGX-ST by way of public offer on 2<sup>nd</sup> July, 2001.

12. Comparative figures of the group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 31/03/2002		As at 30/09/2001	
Secured HK\$'000	Unsecured HK\$'000	Secured HK\$'000	Unsecured HK\$'000
31,312	66,110	687	147,018

(b) Amount repayable after one year

As at 31/03/2002		As at 30/09/2001	
Secured HK\$'000	Unsecured HK\$'000	Secured HK\$'000	Unsecured HK\$'000
29,715	0	1,029	0

(c) Any other comments relating to Paragraph 12

NIL

**BY ORDER OF THE BOARD**

Leung Chun Wah  
Chairman  
28/06/2002