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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)

ANNOUNCEMENT ON LITIGATION INVOLVING A WHOLLY-OWNED SUBSIDIARY

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 the Listing Manual of Singapore Exchange Securities Trading Limited.

The Company wishes to announce that its indirect wholly-owned subsidiary, Array Electronics (China) Limited ("Array China"), has commenced the following legal action (as plaintiff) in the Intermediate People's Court of Nanchang Municipality, Jiangxi Province of the People's Republic of China (江西省南昌市中级人民法院) (the "Intermediate Court of Nanchang"):

- (a) legal proceedings against Shanghai Wind Communication Technologies Co Ltd (上海與德通訊技術有限公司) ("Shanghai Wind") and Wind Technology Co Ltd (與德科技有限公司) ("Wind Technology") for a total sum of approximately USD 3,844,000 ("Claim 1") in uncollected trade debts which are due and payable to Array China; and
- (b) legal proceedings against Shanghai Wind, Wind Technology and Nanchang Zhenhua Communication Equipment Co Ltd (南昌振華通信設備有限公司) for a total sum of approximately USD 1,483,000 ("Claim 2") in uncollected trade debts which are due and payable to Array China.

Claim 1 has been heard before the Intermediate Court of Nanchang on July 8, 2019 and the decision by the Intermediate Court of Nanchang remains pending. However, even if the court does not rule in favour of Array China, the value of the uncollected trade debts under Claim 1 (less a 10% deductible) would be covered by trade credit insurance purchased by the Group, so the Group does not consider this legal proceeding to have any significant financial impact on the Group.

The hearing date for Claim 2 has not yet been fixed. Given that the litigation process is at an early stage, the Board considers that it is not practical to assess the full potential impact of Claim 2 on the Group at the moment. In any event, the Group has recognised an impairment loss on trade receivables in the Group's consolidated financial statements for the financial year ended March 31, 2019, which was announced on May 29, 2019, which substantially covers the amount sought under Claim 2. Accordingly, the Board does not consider Claim 2 to have a significant impact on the overall financial condition and/or operations of the Group.

The Company will keep the shareholders of the Company and potential investors informed of any further material developments in connection with the above action by way of further announcements as and when appropriate.

By Order of the Board
Willas-Array Electronics (Holdings) Limited
Leung Chun Wah
Chairman and Executive Director

Hong Kong/Singapore, July 8, 2019

As at the date of this announcement, the Board comprises four Executive Directors, namely Leung Chun Wah (Chairman), Kwok Chan Cheung (Deputy Chairman), Hon Kar Chun (Managing Director) and Leung Hon Shing; and three Independent Non-executive Directors, namely Jovenal R. Santiago, Wong Kwan Seng, Robert and Iu Po Chan, Eugene.

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