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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)**

**OVERSEAS REGULATORY ANNOUNCEMENT**

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the following pages for the document which has been published by Willas-Array Electronics (Holdings) Limited (the “Company”) on the website of Singapore Exchange Securities Trading Limited on November 20, 2018.

For and on behalf of

**Willas-Array Electronics (Holdings) Limited**

**Leung Chun Wah**

*Chairman and Executive Director*

Hong Kong, November 20, 2018

*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.*



**Interim Results Briefing  
First 6 Months  
Ended 30 Sep 2018**

**Date: 20 Nov 2018**



# Contents

- Results Highlights
- Business Review



**WILLAS-ARRAY™**  
Willas-Array Electronics (Holdings) Limited  
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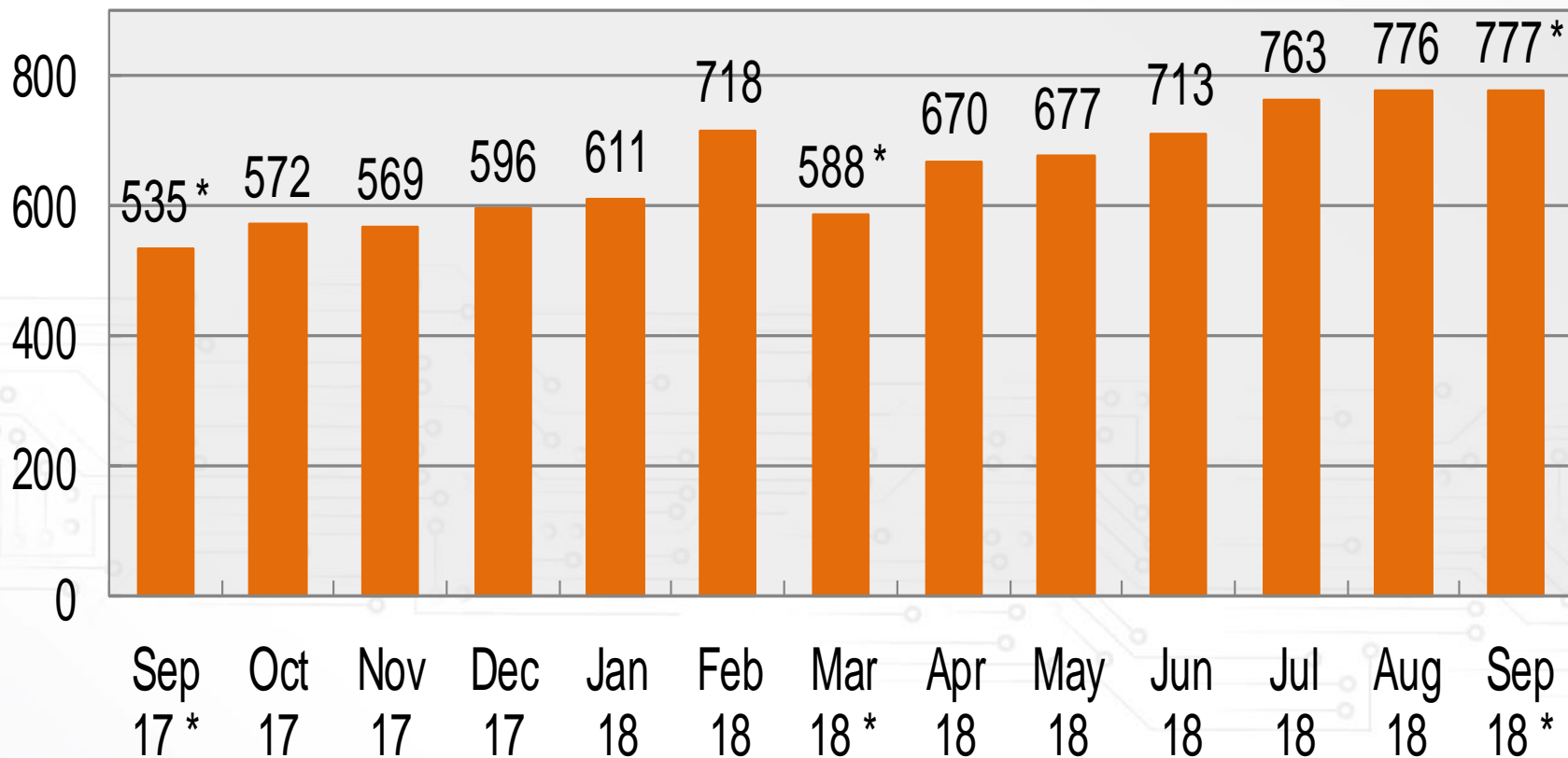
# Results Highlights

# Profit And Loss

	1H FY 19 HK\$'M	1H FY 18 HK\$'M	Difference HK\$'M	% Change %
Turnover	2,154.8	2,354.8	(200.0)	-8.5%
<b>EBITDA</b>	42.4	88.7	(46.3)	-52.1%
Depreciation & Amortization	(6.4)	(5.4)	(1.0)	+20.0%
Finance costs	(21.9)	(13.9)	(8.0)	+56.8%
<b>Profit before tax</b>	14.1	69.4	(55.3)	-79.6%
Income tax expense	(7.4)	(9.2)	1.8	-19.5%
<b>Profit after tax</b>	6.7	60.2	(53.5)	-88.8%
EPS (HK cents)	7.97	72.01	(64.04)	-88.9%

# Inventory Level

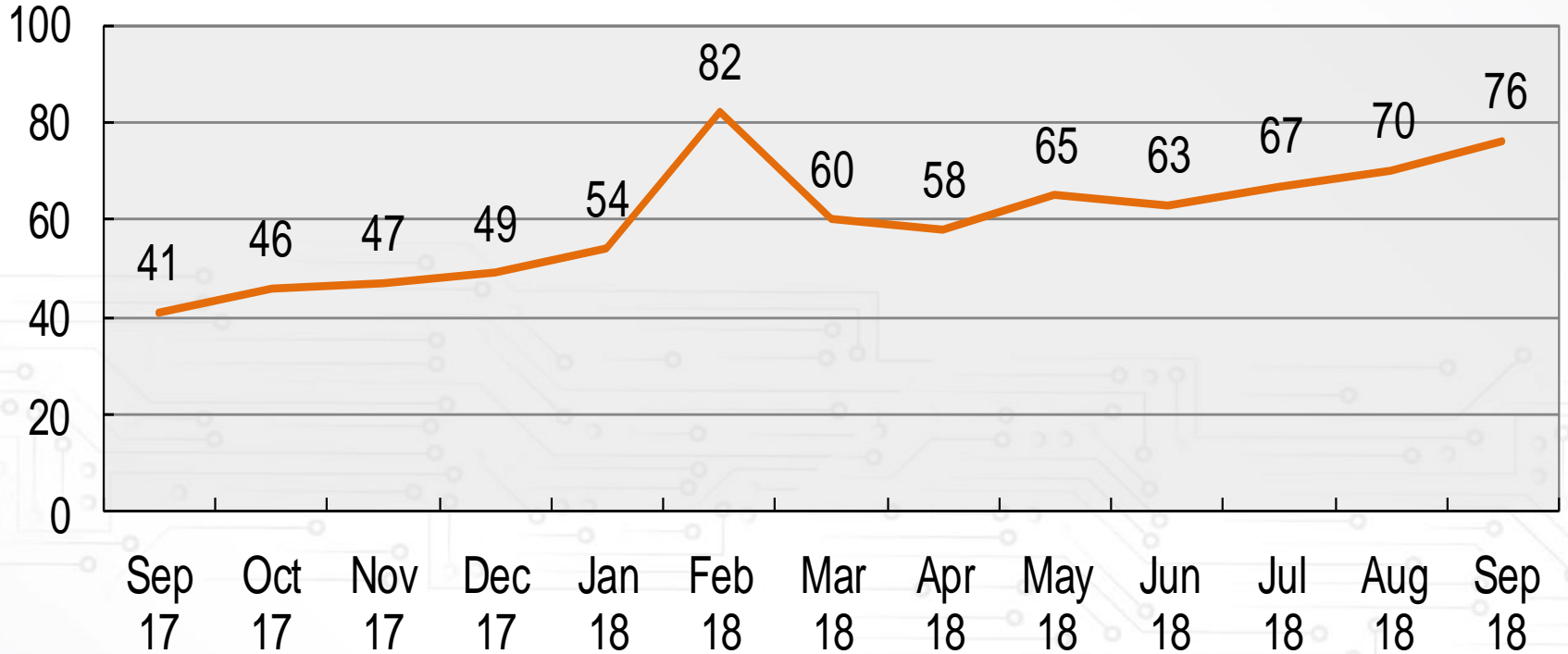
In HK\$'M



\* Excluding Goods-in-Transit

# Inventory Turnover Ratio

No. of days





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# Business Review



# Business Review

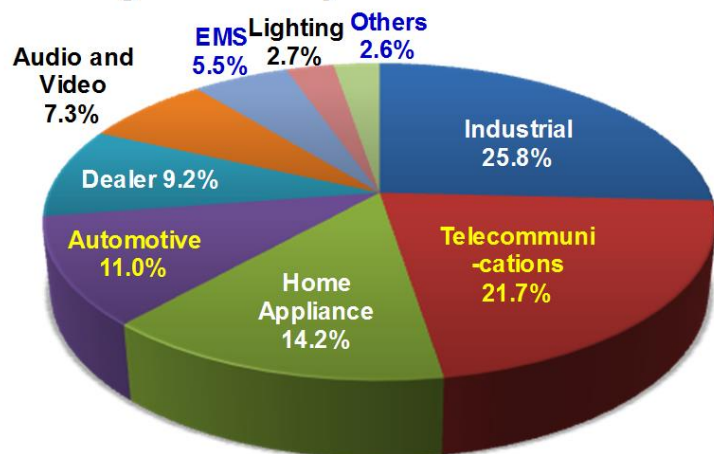
- Market Segment Review
- Snapshot of China Economy
- Update of Automotive and Home Appliance Market in China

# Market Segment Review

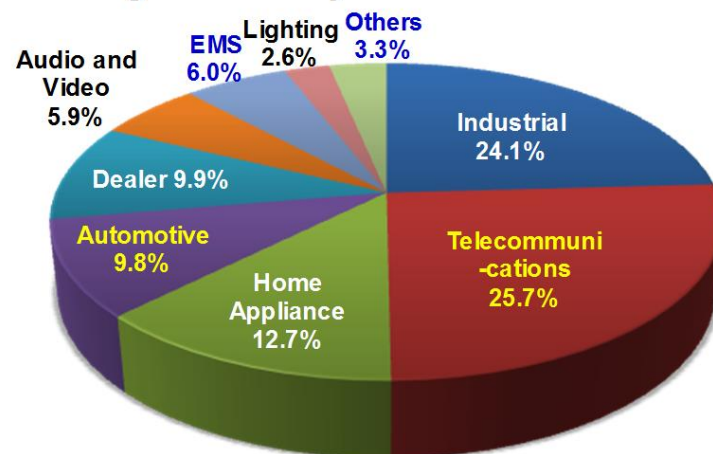
(in HK\$'000)

	1H FY2019		1H FY2018		Increase (Decrease)	
Turnover		%		%		%
Industrial	555,841	25.8%	567,429	24.1%	(11,588)	(2.0%)
Telecommunications	466,573	21.7%	604,410	25.7%	(137,837)	(22.8%)
Home Appliance	306,216	14.2%	300,266	12.7%	5,950	2.0%
Automotive	236,248	11.0%	230,301	9.8%	5,947	2.6%
Dealer	198,842	9.2%	232,770	9.9%	(33,928)	(14.6%)
Audio and Video	156,676	7.3%	140,468	5.9%	16,208	11.5%
EMS	118,513	5.5%	140,824	6.0%	(22,311)	(15.8%)
Lighting	59,228	2.7%	61,126	2.6%	(1,898)	(3.1%)
Others	56,688	2.6%	77,158	3.3%	(20,470)	(26.5%)
	<b>2,154,825</b>	<b>100.0%</b>	<b>2,354,752</b>	<b>100.0%</b>	<b>(199,927)</b>	<b>(8.5%)</b>

Segmental Analysis 1H FY2019



Segmental Analysis 1H FY2018



# Business Review

- Market Segment Review
- **Snapshot of China Economy**
- Update of Automotive and Home Appliance Market in China

# Snapshot of China Economy

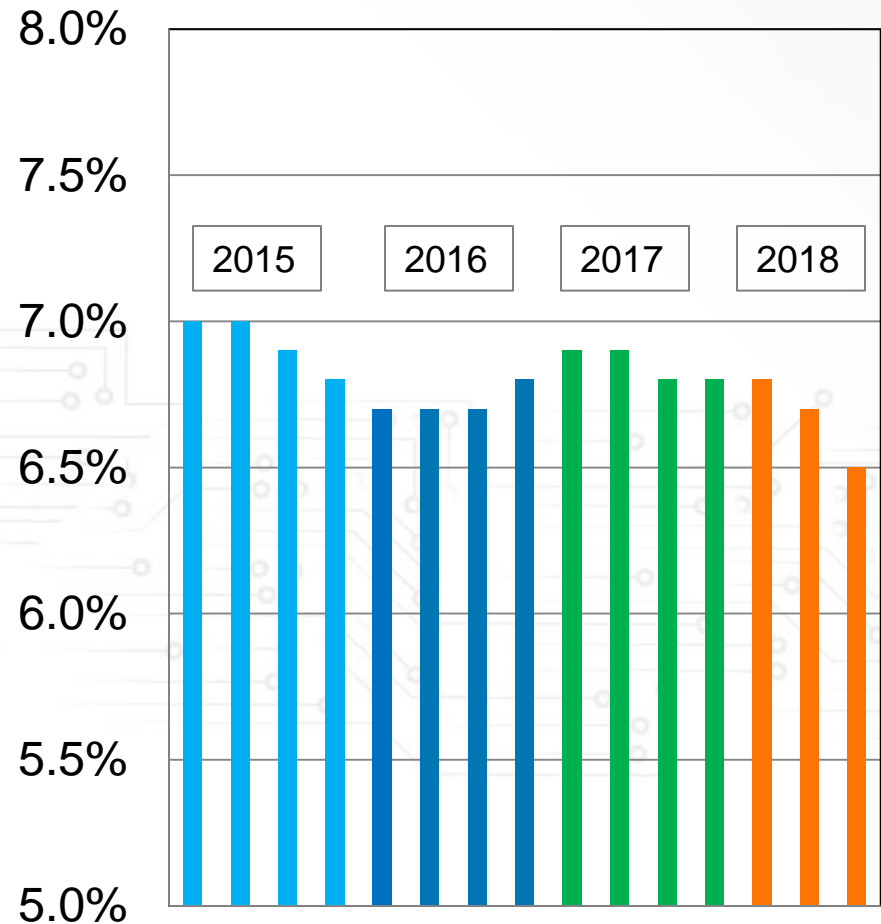
## 2017

- China's year-on-year GDP growth reached 6.9% in 2017, up from 6.7% in 2016.

## Q3/2018

- China GDP growth in Q3/2018 was 6.5%, down from 6.8% in the first quarter and 6.7% in Q2/2018.
- IMF earlier predicted that the Chinese economy will grow by 6.6% this year. But the fund lowered China's economic outlook for 2019 to 6.2%.

China GDP Quarterly Growth % y-o-y

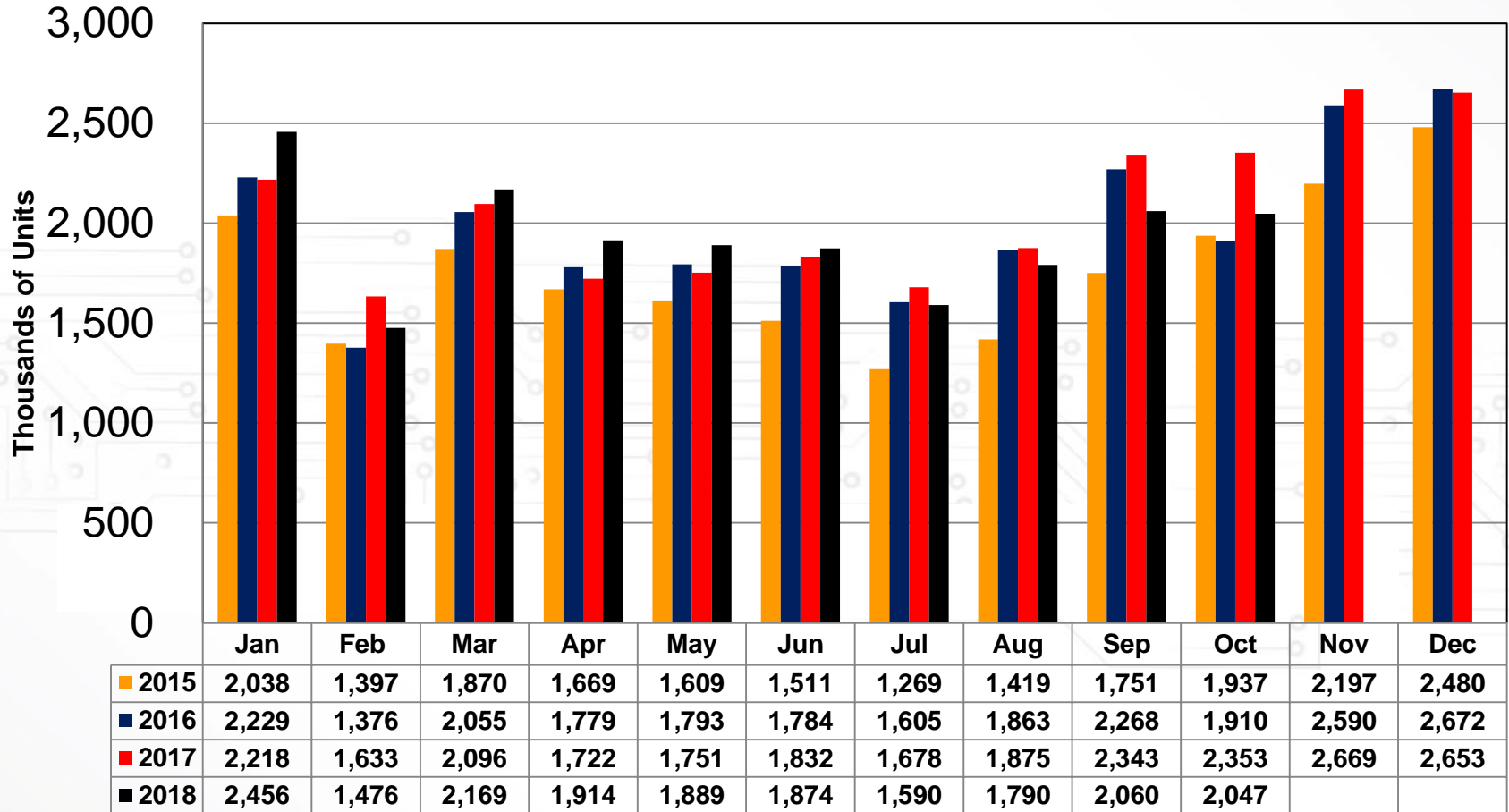


# Business Review

- Market Segment Review
- Snapshot of China Economy
- **Update of Automotive and Home Appliance Market in China**

# China Passenger Vehicle Sales 2015-2017 & Jan-Oct 2018

## China Passenger Vehicle Sales

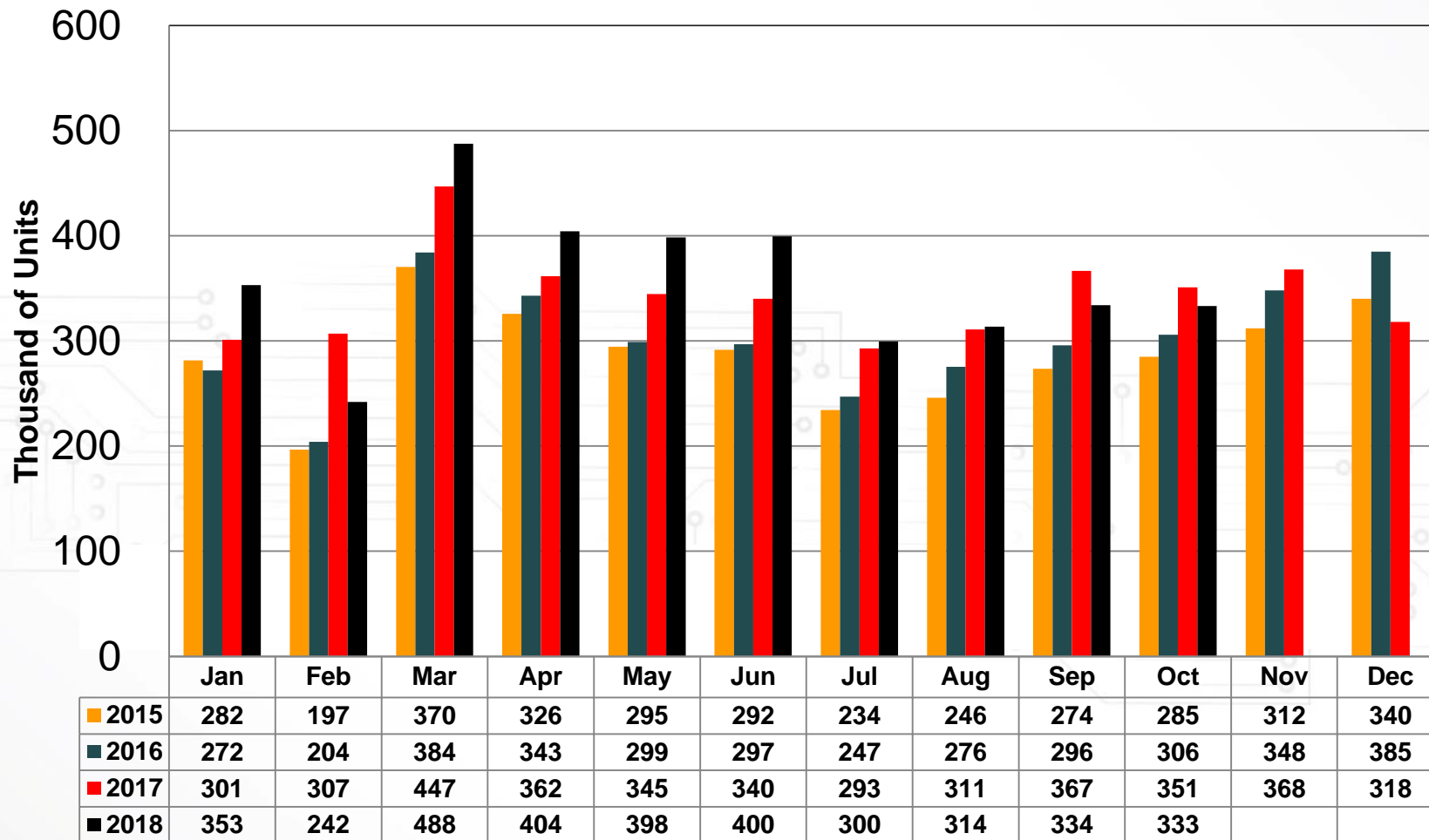


2015 Total : 21,146,900  
2016 Total : 23,923,900  
2017 Total : 24,824,000

Jan-Oct 2018 : 19,265,000

# China Commercial Vehicle Sales 2015-2017 & Jan-Oct 2018

## China Commercial Vehicle Sales

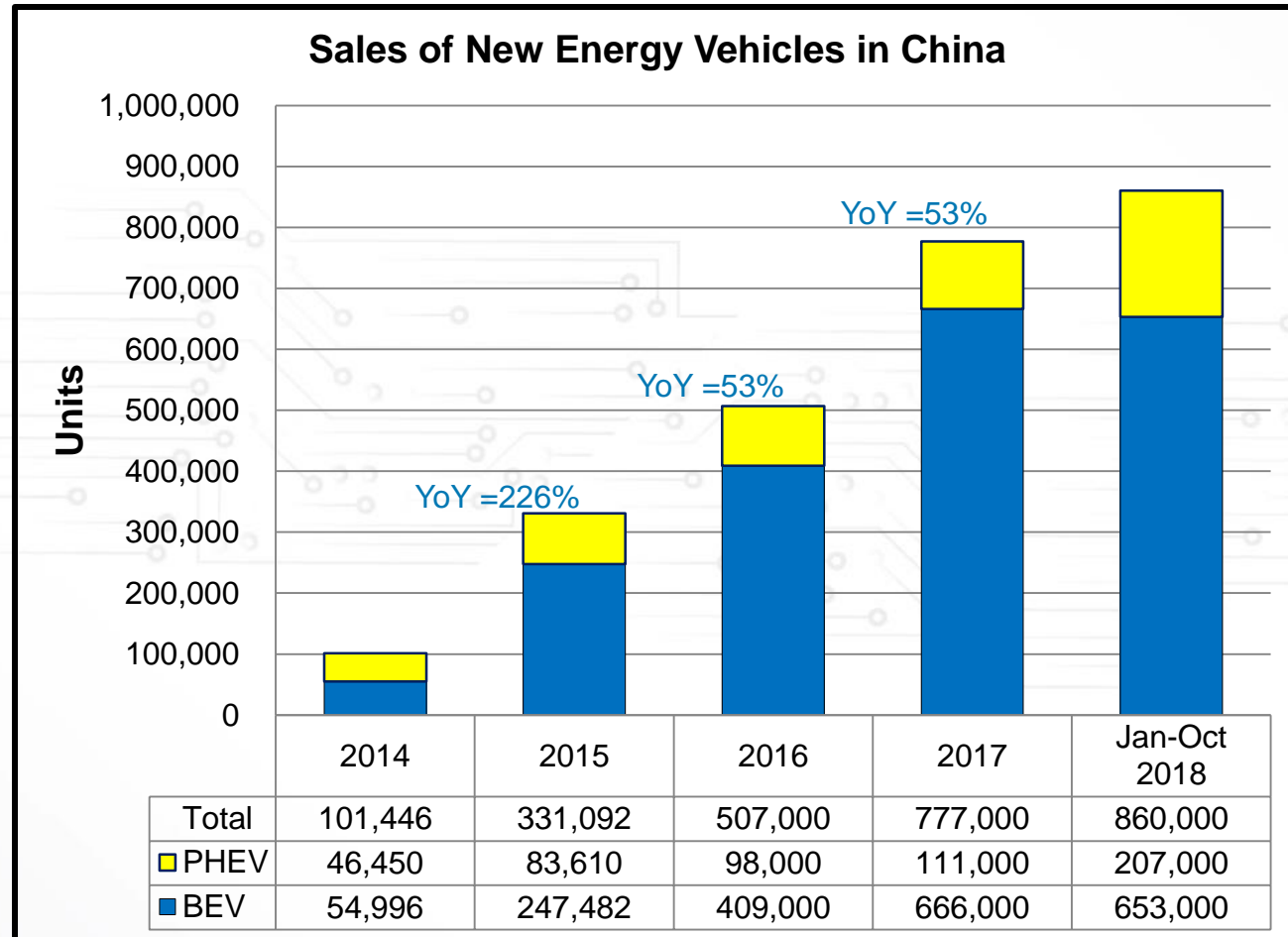


2015 Total : 3,451,300  
2016 Total : 3,656,300  
2017 Total : 4,108,700

Jan-Oct 2018 : 3,565,000

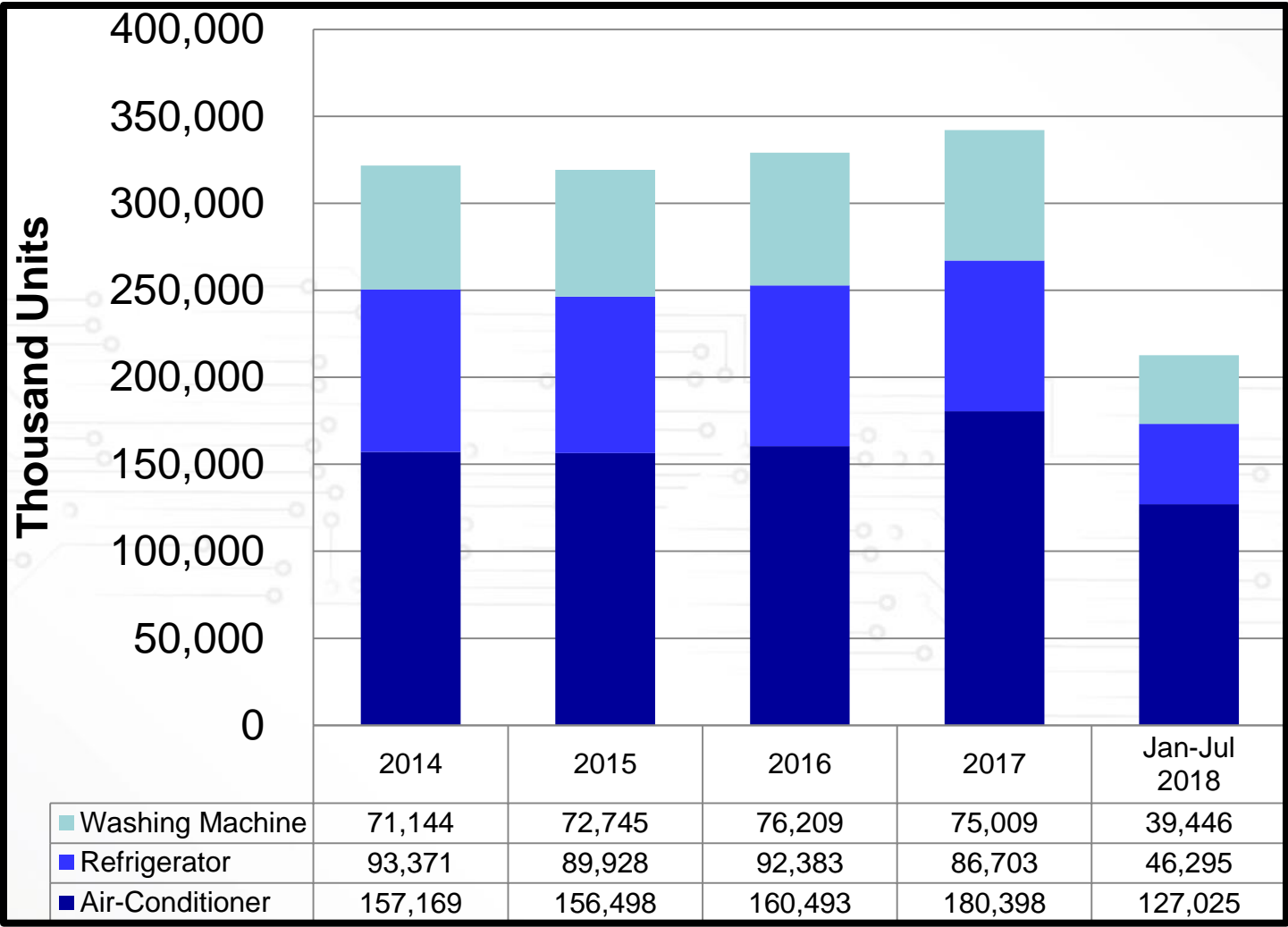
# China – New Energy Vehicles

- New energy vehicles kept a high-speed growth since 2015





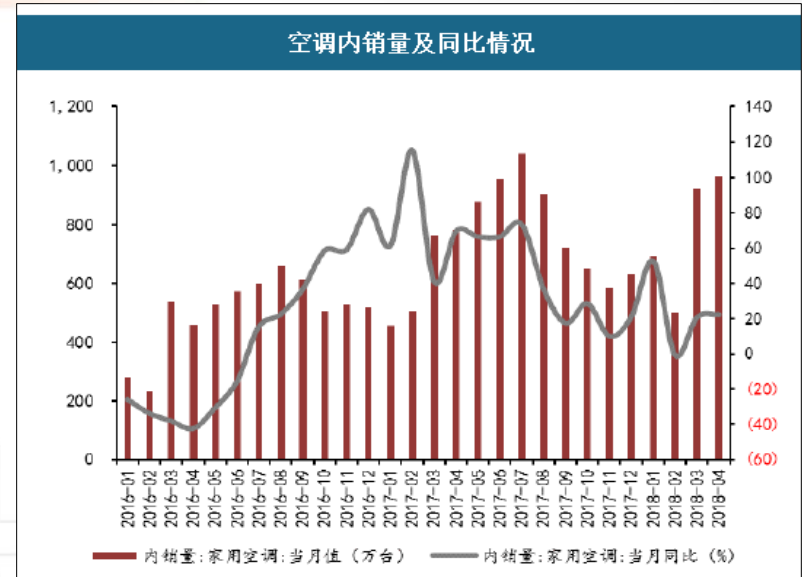
# China Main Home Appliance Production



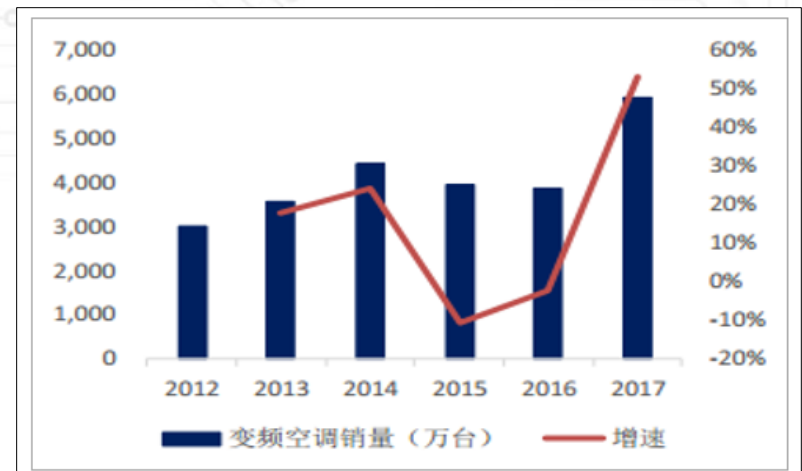
Source: Ministry of Industry and Information Technology, 4Oct2018

# China Air-Conditioner / Inverter Type

- Inverter type air conditioner has achieved rapid growth in recent years.
- In 2017, China's domestic sales of inverter type air conditioner were 59.16 million sets, an increase of 53% over the same period.
- It is expected that penetration rate of inverter type air conditioner will steadily increase in the future.



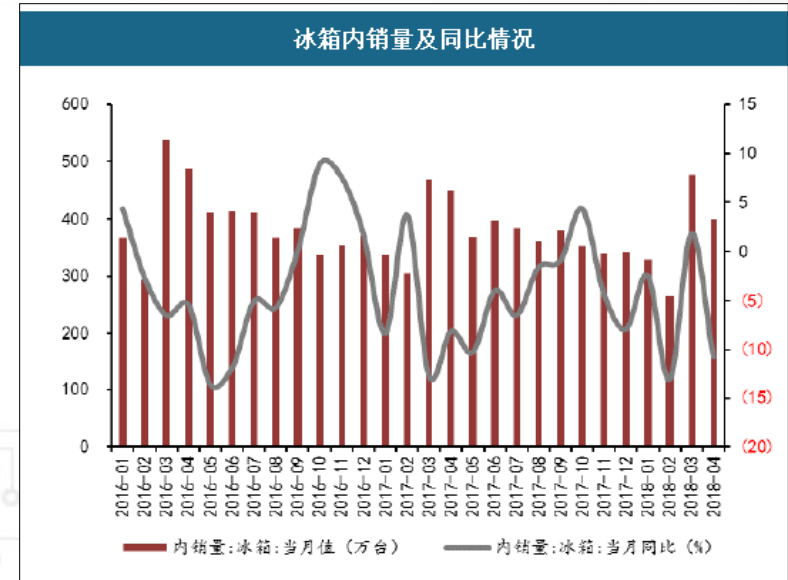
空调内销量及同比情况



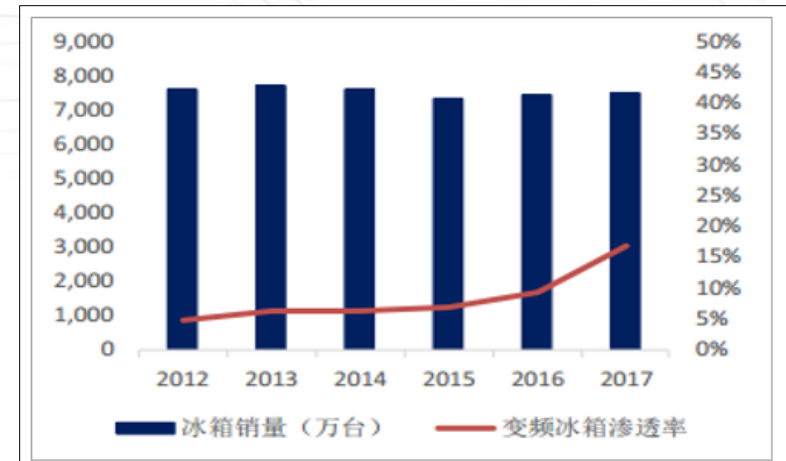
空调内销市场中，变频空调占比提升

# China Household Refrigerators/Inverter Type

- In 2017, the domestic sales volume of China's refrigerators was 75.7 million sets in which 12.72 million sets were inverter type refrigerators.
- The penetration rate of inverter type refrigerators was 16.8% by 2017.



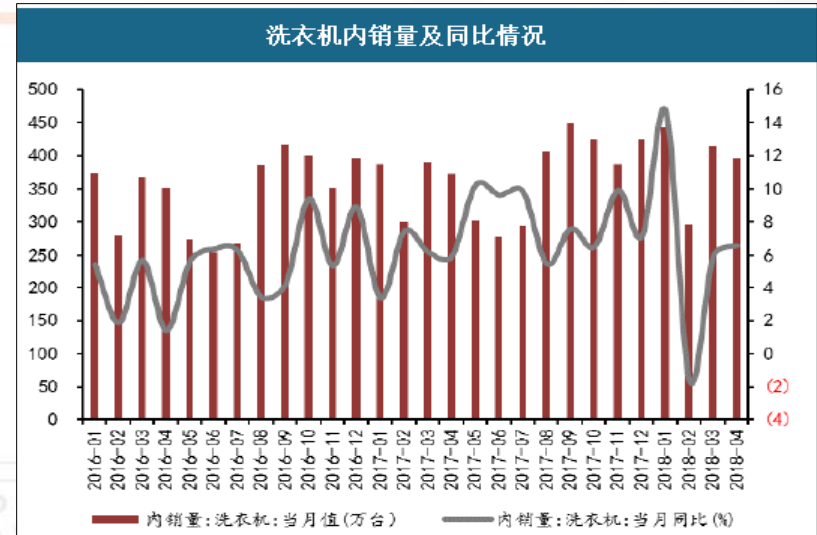
冰箱内销量及同比情况



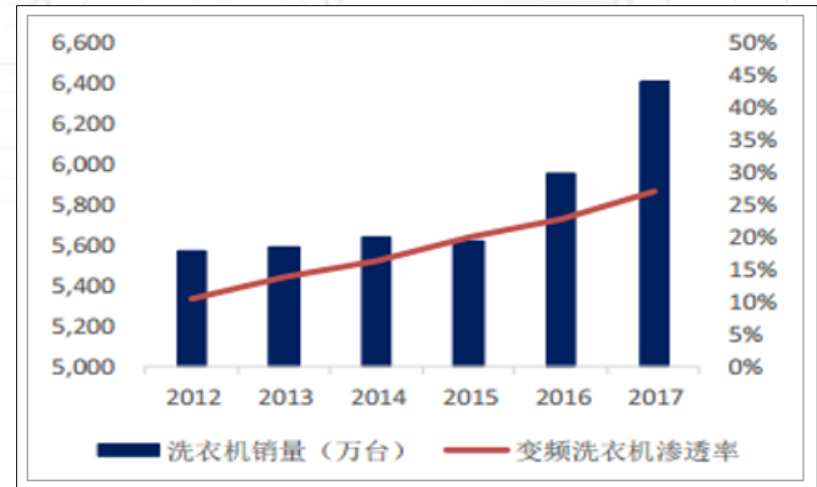
变频冰箱内销量占比提升空间大

# China Washing Machine / Inverter Type

- In 2017, 64.7 million washing machines were sold in China, in which 17.37 million were inverter type washing machines. The penetration rate reached 26.8%.
- It is believed that the inverter type home appliance industry will be a long-term trend and breakthrough to all major products.



洗衣机内销量及同比情况



洗衣机内销市场中，变频洗衣机逐年提升

## Threat

- Uncertainty and weak confidence
- Depreciation in RMB and increase of interest rate
- Re-location of manufacturing
- Slow down of Importing high-tech industry

## Opportunity

- China is 2<sup>nd</sup> largest economy with GDP over 12 trillion USD and annual growth over 6%
- Long term strategy in Industrial development (Belt and Road Initiative)
- Set up local manufacturing to capture opportunity in China market
- Speed up the industrial reformation of high-tech industry

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**Thank You !**

