

# 威雅利电子(集团)有限公司

## Willas-Array Electronics (Holdings) Limited



**FY 2014 Results Briefing**

**June 4, 2014**

**WILLAS-ARRAY™**

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  - New Suppliers



**WILLAS-ARRAY™**

# 威雅利电子(集团)有限公司

## Willas-Array Electronics (Holdings) Limited



## About Us

- Corporate Profile
- Products & Services - Our Principals
- Our Customers
- Investment Merits
- Business Structure

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# Corporate Profile



- Sales Offices
- Headquarters

- One of the largest HK-based electronics company involved in the global sourcing and regional distribution of electronics components
- Established in 1981 and listed on the Mainboard of the Singapore Exchange in 2001
- Strong network of offices in the Greater China region as well as Singapore
- Successfully achieved a dual primary listing on The Hong Kong Stock Exchange on 6 Dec 2013

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# PRODUCTS AND SERVICES

## Supplier



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# Our Customers



We have a growing pool of **over 3,000 customers** in Hong Kong, China and Taiwan



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# Investment Merits

## Market insight and strong fundamentals

- Leading components distributor with a wide product range for different sectors
- Long-standing and excellent capabilities in sales and engineering
- **Extensive and growing network in China**
- **Stable and well-developed relationships** with suppliers, customers and banks

## Sound management policies

- Strict financial discipline and tight capital management

## Demonstrated resilience

- **Profitable since established in 1981** (except in FY09, when there was a global financial crisis)

## Good dividend payouts and attractive dividend yield

- At least **45% payout since listing**
- Dividend yield of 6.7% as at 30 May 2014



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# Business Structure

## Willas-Array Electronics (Holdings) Limited

### Greater China

#### Hong Kong

Willas-Array  
Electronics  
(Hong Kong)  
Limited

Array  
Electronics  
(China)  
Limited

#### Northern China

Willas-Array  
Electronics  
(Shanghai)  
Limited

#### Southern China

Willas-Array  
Electronics  
(Shenzhen)  
Limited

#### Taiwan

Willas-Array  
Electronics  
(Taiwan)  
Inc.

Beijing  
Qingdao  
Shanghai  
Chengdu  
Chongqing

Xiamen  
Guangzhou  
Shenzhen  
Zhongshan

	Technical	Sales & Marketing	Total Staff
Hong Kong	15	70	211
China	55	121	280
Taiwan	0	17	26
<b>Total Staff:</b>	<b>70</b>	<b>208</b>	<b>517</b>

As of 31 Mar 2014

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# 威雅利电子(集团)有限公司

## Willas-Array Electronics (Holdings) Limited



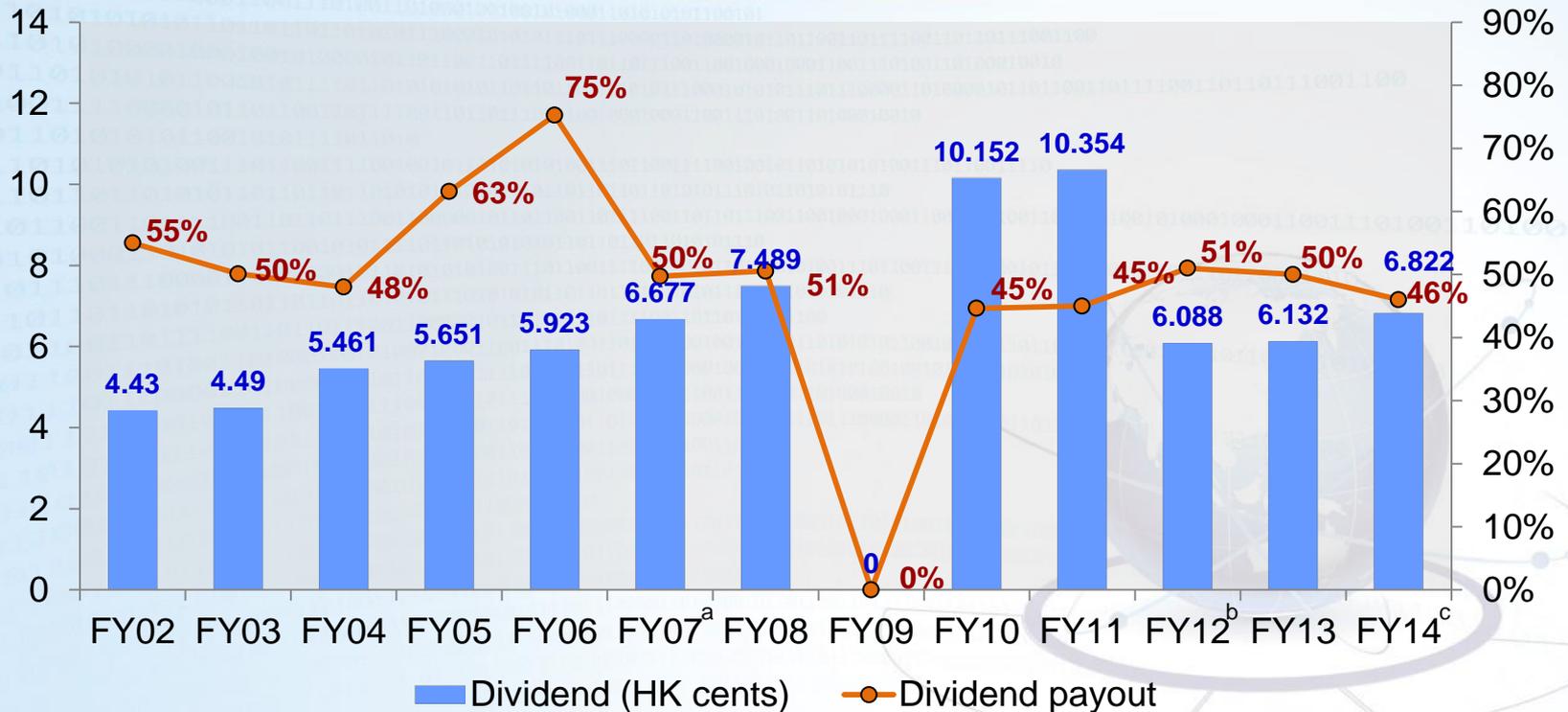
### FY2014 Results Highlights

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# Dividend & Dividend Payout

HK cents

Dividend Payout



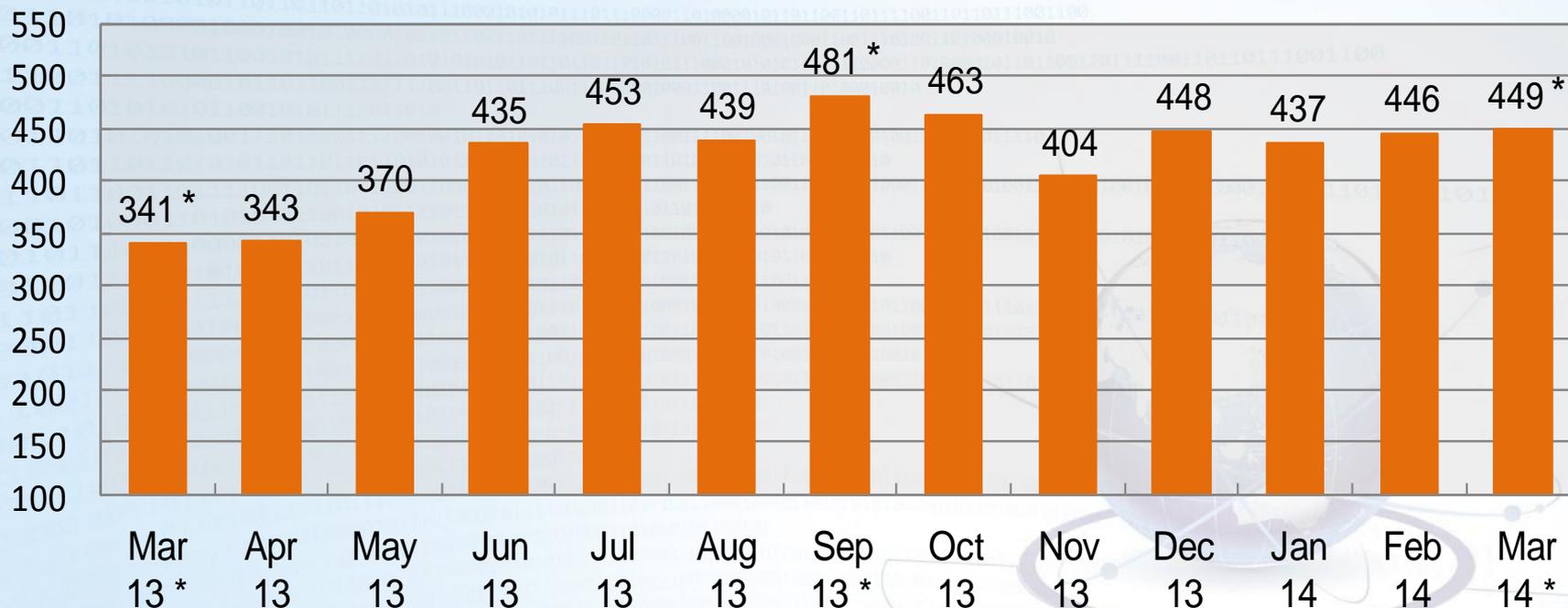
- a) FY07's dividend payout excludes special dividend of 1.541 HK cents
- b) FY12's dividend payout excludes special dividend of 1.826 HK cents
- c) FY14's dividend payout excludes the one-off dual listing expenses

# Profit & Loss

HK\$'M	FY 14	FY 13	% Change
Turnover	3,196.3	3,157.6	1.2%
EBITDA	95.1	82.9	14.7%
Depreciation & Amortization	(11.6)	(12.3)	(5.0%)
Finance costs	(17.2)	(16.2)	6.0%
Listing expenses	(26.1)	–	NM
Profit before tax	40.2	54.4	(26.1%)
Income tax expense	(14.8)	(13.1)	13.0%
Profit after tax	25.4	41.3	(38.5%)
Non-controlling interests	3.6	4.5	(20.3%)
<b>Profit attributable to shareholders</b>	<b>29.0</b>	<b>45.8</b>	<b>(36.7%)</b>
EPS (HK cents)	7.78	12.30	(36.7%)

# Inventory Level

In HK\$'M

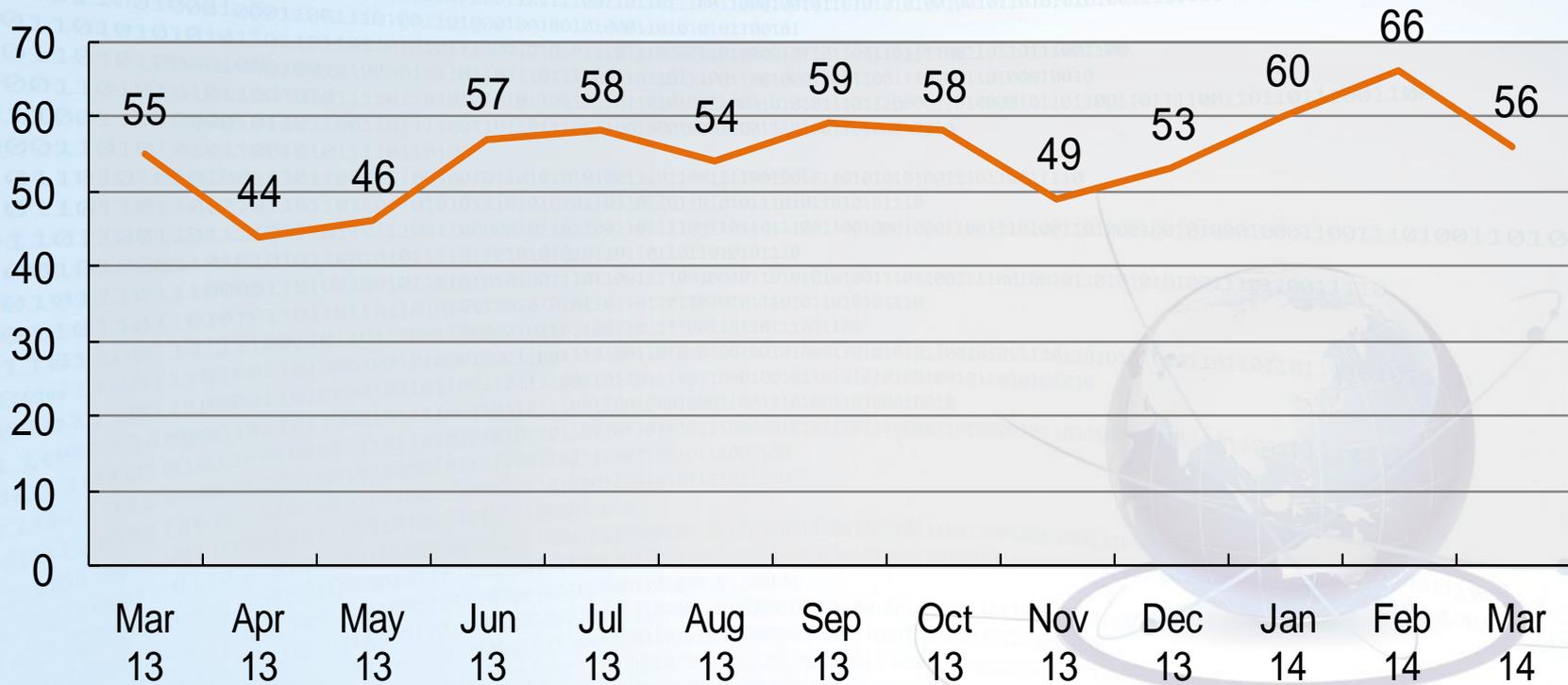


\* Excluding Goods-in-Transit

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# Inventory Turnover Ratio

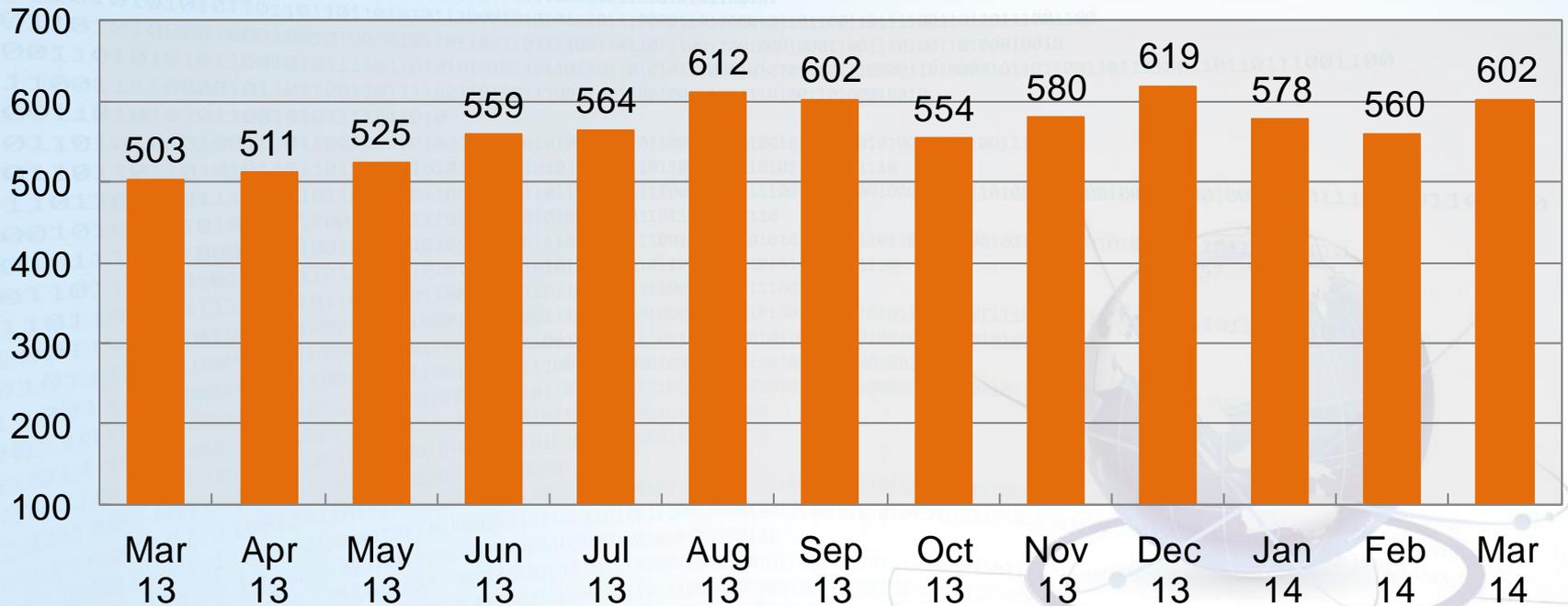
No. of days



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# Net Accounts Receivable

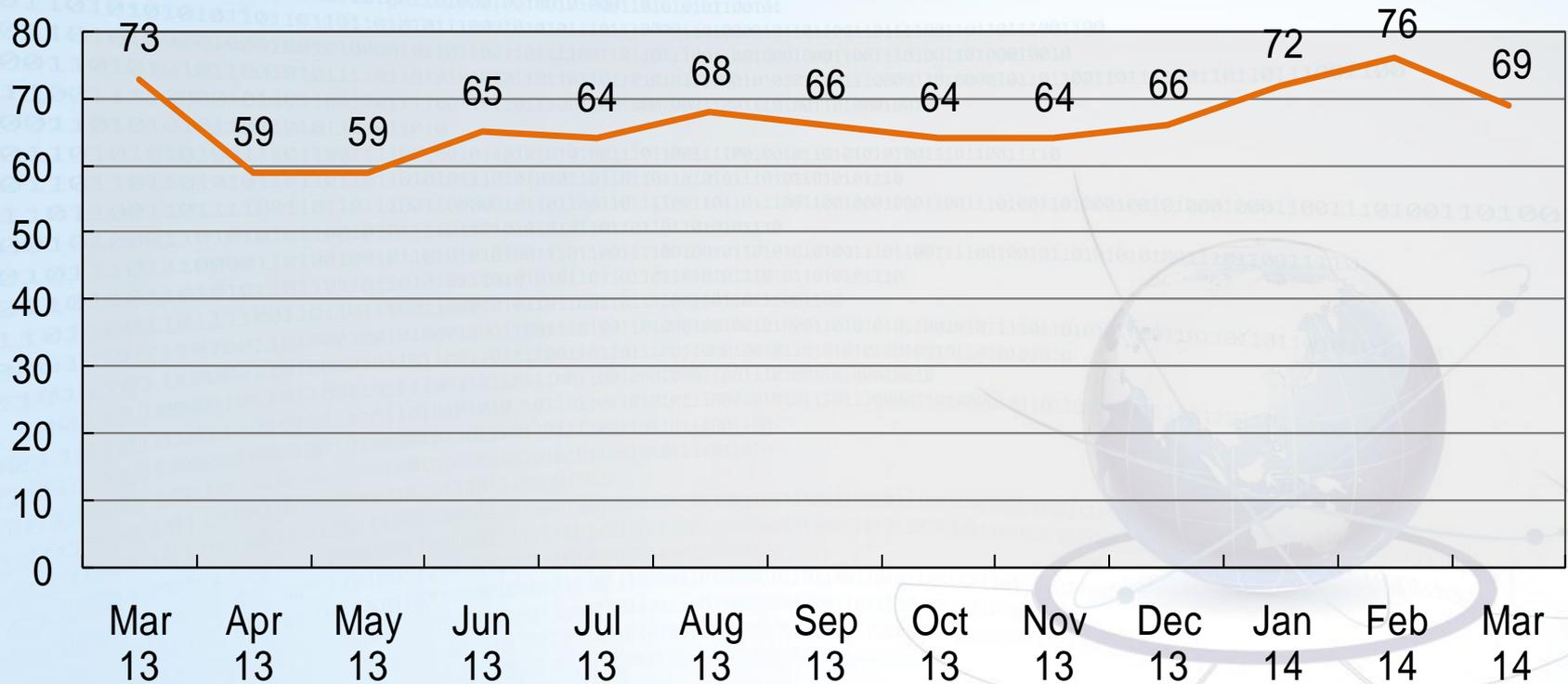
In HK\$'M



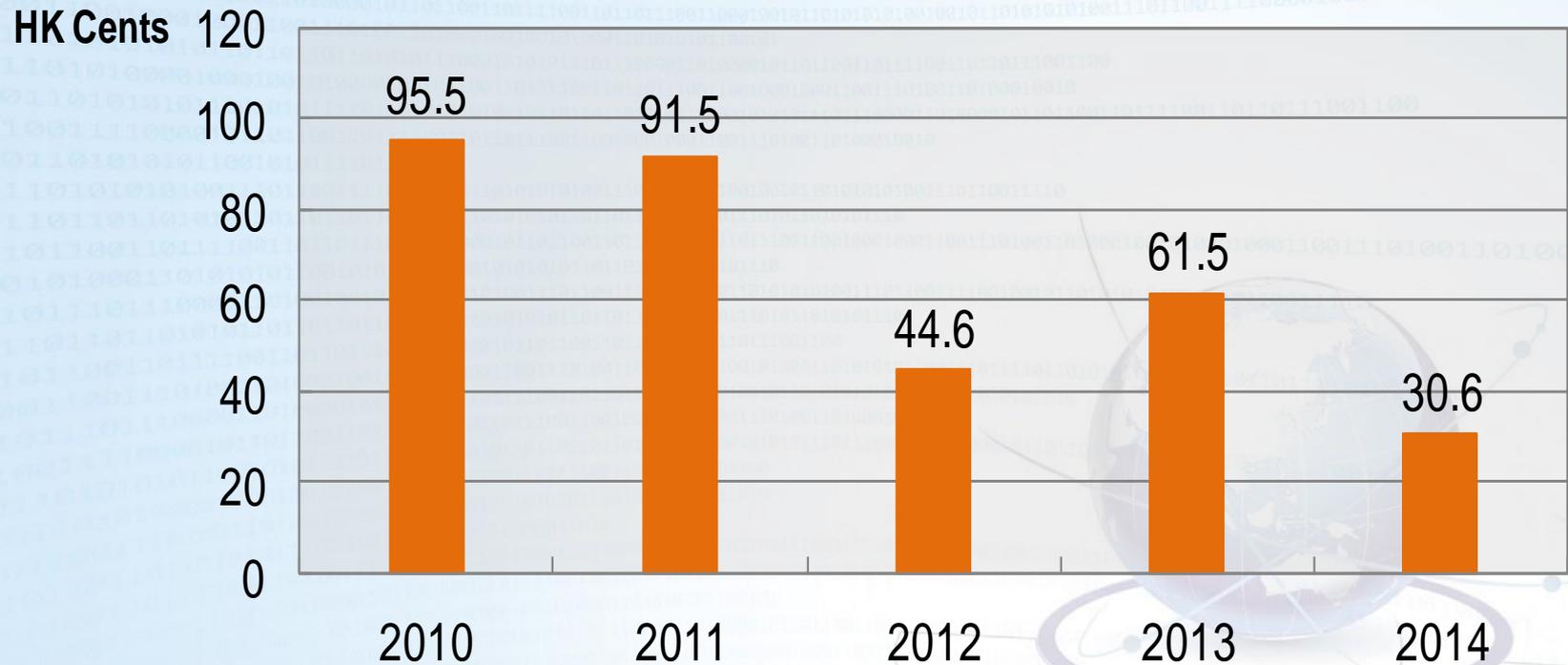
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# Debtors Turnover Ratio

No. of days



# Net Cash Per Share



Net Cash: Cash and bank balances less bank borrowings

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# 威雅利电子(集团)有限公司

## Willas-Array Electronics (Holdings) Limited



## Business Review

- Key Market Review - China
- Business Segment Review
- Market Highlight
- New Suppliers

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# Key Market Review - China

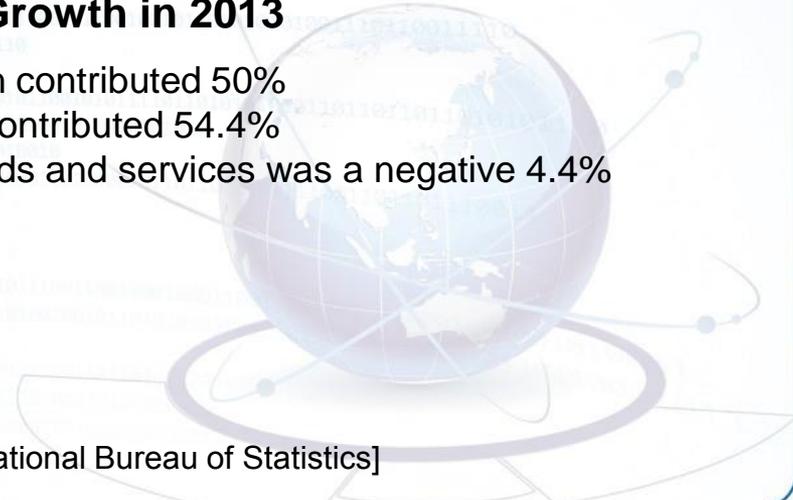


## Export in 2013

China's exports rose 7.9% y-o-y to RMB\$2.21 trillion in 2013

## Balance GDP Growth in 2013

- Consumption contributed 50%
- Investment contributed 54.4%
- Trade of goods and services was a negative 4.4%

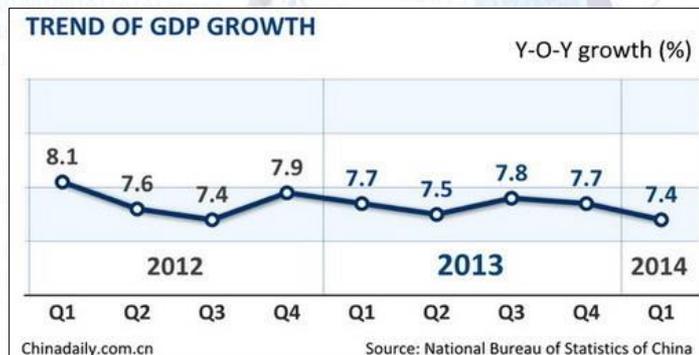


[Source: China's National Bureau of Statistics]

# Key Market Review - China

## Domestic Consumption

- Stable
- Consumer Price Index
  - 2013 CPI @ +2.6%
  - 2014 CPI Forecast @ +3.5%
- GDP Growth
  - 2013 Chinese GDP +7.7%
  - 2014 Full-Year Target is +7.5%.



[Source: Apr 2014 National Bureau of Statistics of China]

# 威雅利电子(集团)有限公司

## Willas-Array Electronics (Holdings) Limited



## Business Review

- Business Segment Review
  - ◇ Segment Performance
  - ◇ Segment Strategy

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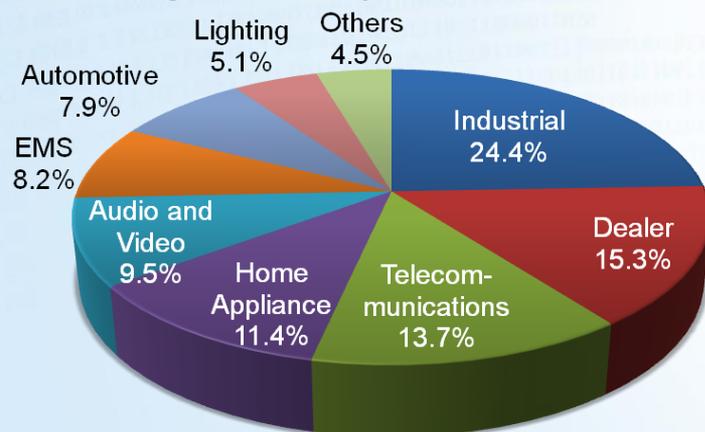
# Review - Business Review

## Segment Performance

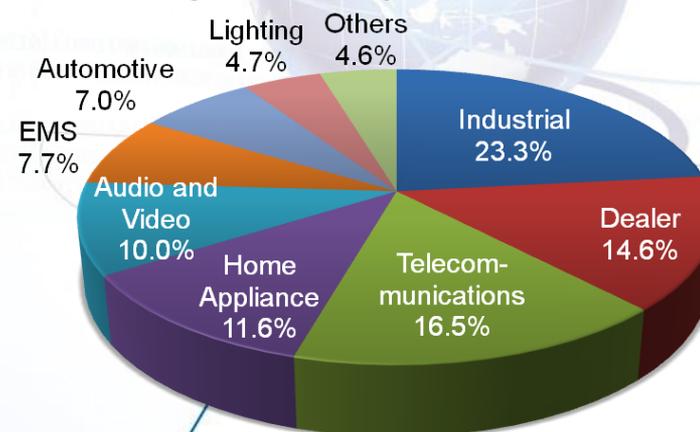
(in HK\$'000)

Turnover	FY 2014		FY 2013		Increase (Decrease)	
		%		%		%
Industrial	779,400	24.4%	735,829	23.3%	43,571	5.9%
Dealer	490,094	15.3%	462,232	14.6%	27,862	6.0%
Telecommunications	436,265	13.7%	519,841	16.5%	(83,576)	(16.1%)
Home Appliance	364,857	11.4%	365,537	11.6%	(680)	(0.2%)
Audio and Video	303,226	9.5%	316,654	10.0%	(13,428)	(4.2%)
EMS	262,241	8.2%	242,050	7.7%	20,191	8.3%
Automotive	251,847	7.9%	219,638	7.0%	32,209	14.7%
Lighting	164,179	5.1%	149,406	4.7%	14,773	9.9%
Others	144,161	4.5%	146,410	4.6%	(2,249)	(1.5%)
	<b>3,196,270</b>	<b>100.0%</b>	<b>3,157,597</b>	<b>100.0%</b>	<b>38,673</b>	<b>1.2%</b>

Segmental Analysis for FY 2014



Segmental Analysis for FY 2013



# Business Segment Review

## Segment Performance

Market Segment	FY 2014 Change (YoY)	FY 2013 Change (YoY)
Industrial	+5.9%	-1.4%
Telecom	-16.1%	+8.7%
Automotive	+14.7%	+17.1%
Home Appliance	-0.2%	-1.6%
Audio/Video	-4.2%	-11.8%
Lighting	+9.9%	-21%
EMS	+8.3%	-21%
Dealer	+6%	+5.1%
Others	-1.5%	-23.7%
Total	+1.2%	-3.2%

# Business Segment Review

## Segment Strategy

Segment.	Strategy
Industrial	<ul style="list-style-type: none"><li>• Continue to invest in engineering resources to explore more applications</li><li>• Source for new product line to expand product offering</li></ul>
Telecommunication	<ul style="list-style-type: none"><li>• Capture the 4G opportunity</li><li>• Careful inventory control</li></ul>
Automotive	<ul style="list-style-type: none"><li>• Position ourselves as a solution provider</li><li>• Dedicated task force to manage long-term projects</li></ul>
Home Appliance	<ul style="list-style-type: none"><li>• Further develop application in energy saving segment</li><li>• Source for new product line to expand product offering</li></ul>

# Business Segment Review

## Segment Strategy

Segment	Strategy
Audio/Video	<ul style="list-style-type: none"><li>• Target the wireless audio application</li><li>• More solutions for High-ended Audio</li></ul>
Lighting	<ul style="list-style-type: none"><li>• Increase market share in traditional lighting</li><li>• Source for new product line for LED lighting</li></ul>



# 威雅利电子(集团)有限公司

## Willas-Array Electronics (Holdings) Limited



## Business Review

- Market Highlight
  - ◇ Telecommunication
  - ◇ Automotive

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# Telecommunication

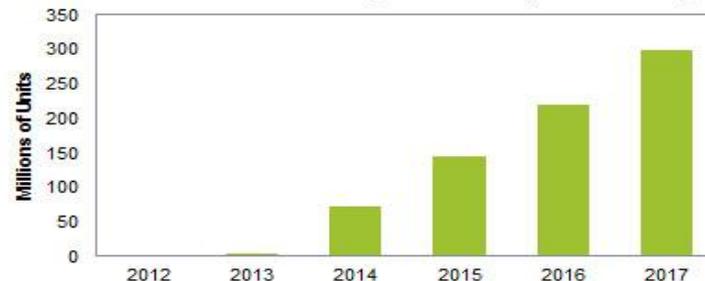
➤ It is predicted that from 2013-2017, the GAGR (Gross Annual Growth Rate) of the global shipments of **TD-LTE mobile phones** will reach 103%. By 2017, the shipments of the TD-LTE mobile phones will account for nearly 1/4 of 4G mobile phones.

*[Source: IDC Dec 2013]*

➤ In China, a 1,500% growth rate in **4G smartphones** is expected in 2014 and forecasted to reach 72.4 million units vs 4.6 million in 2013

*[Source: IHS Technology Jan 2014]*

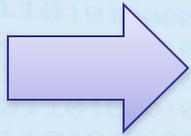
China Domestic 4G Smartphone Forecast (Millions of Units)



Source: IHS Technology, January 2014

# Telecommunication

## Application



4G Smartphones LTE

3G Smartphones

Tablet

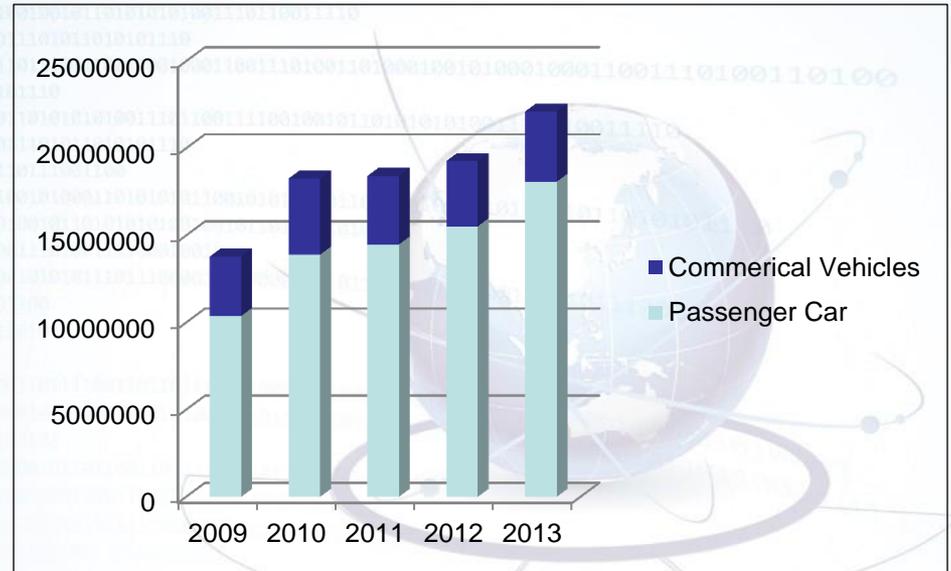
Wearable Electronics

Internet of Things(IoT)

# Automotive

- China's total number of car production and sales rose by 14.8% (21.9 million) and 13.9% (21.98 million vehicles) in 2013 respectively.
- It is projected that number of car sold in China will grow between 8% and 10% in 2014, with total demand reaching between 23.7 million and 24.2 million cars.
- The passenger car market, meanwhile, continued to outpace the growth of the overall car market. In 2013 China's passenger car production rose 16.5% to reach 18.1 million units and sales rose to 15.7% to reach 17.9 million units.

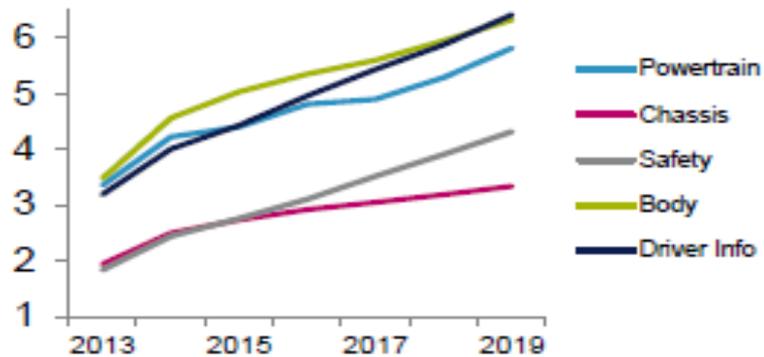
**No. of Vehicles produced in China**



[Sources: China Association of Automobile Manufacturers (CAAM) Jan 2014]

# Automotive

## Semiconductor Opportunity



Semiconductor demand (\$B)

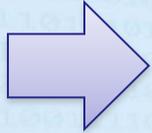


Car Semiconductor content (\$)

[Source: Strategy Analytics, IHS Automotive, Jan 2014]

# Automotive

## Application



Dash Board

BLDC Fuel / Water /Oil Pump

HVAC

Tire Pressure Monitoring System

Electronic Power Steering

Cooling Fan

AFS/HID Lighting

Door/Window motor control

Car Infotainment



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# 威雅利电子(集团)有限公司

## Willas-Array Electronics (Holdings) Limited



## Business Review

- New Suppliers

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# New Suppliers

Supplier	Country	Products	Applications
Susumu	JPN	Thin-film surface mount Resistor	Automotive, high precision equipment, Industrial control system
SANKEN Electric	JPN	Power Management IC, motor control IC,	High power supply unit, automotive, industrial power supply, motor control
Genesis Photonics	TWN	High Power LED Light source	Outdoor and indoor lighting, street lamp, light bulb
ITE Tech	TWN	Touch Sense Controller, Multimedia SoC, Touch Panel Driver, HDMI	Home appliance, audio systems, LCD touch panel
SAMHOP	TWN	Power Mosfet, LED Driver	Industrial and consumer power supply, lighting
MXCHIP	CHN	WiFi, Zigbee module	IoT, industrial and consumer embedded system
Merit Sensor	USA	Pressure Sensor	Automotive, industrial control system, medical equipment
Rochester Electronics	USA	End-of-Life Semiconductors	Industrial, transportation equipment and systems

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## Willas-Array Electronics (Holdings) Limited



**Thank You!**

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