



FY 2016 Results Briefing

May 31, 2016



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 - Products & Services - Our Principals
 - Our Customers
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About Us

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- Business Structure

Corporate Profile



- 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

- Sales Offices
- Headquarters

PRODUCTS AND SERVICES Suppliers

WILLAS-ARRAY™
Willas-Array Electronics (Holdings) Limited
威雅利電子(集團)有限公司



Our Customers



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

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 and FY16)

Good dividend payouts and attractive dividend yield

- At least **45% payout** since listing

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

Shanghai
Beijing
Qingdao
Chengdu
Chongqing

Southern
China

Willas-Array
Electronics
(Shenzhen)
Limited

Shenzhen
Guangzhou
Xiamen
Zhongshan

Taiwan

Willas-Array
Electronics
(Taiwan)
Inc.

	Technical	Sales & Marketing	Total
Hong Kong	7	80	177
China	46	180	284
Taiwan	1	10	16
Total Staff :	54	270	477

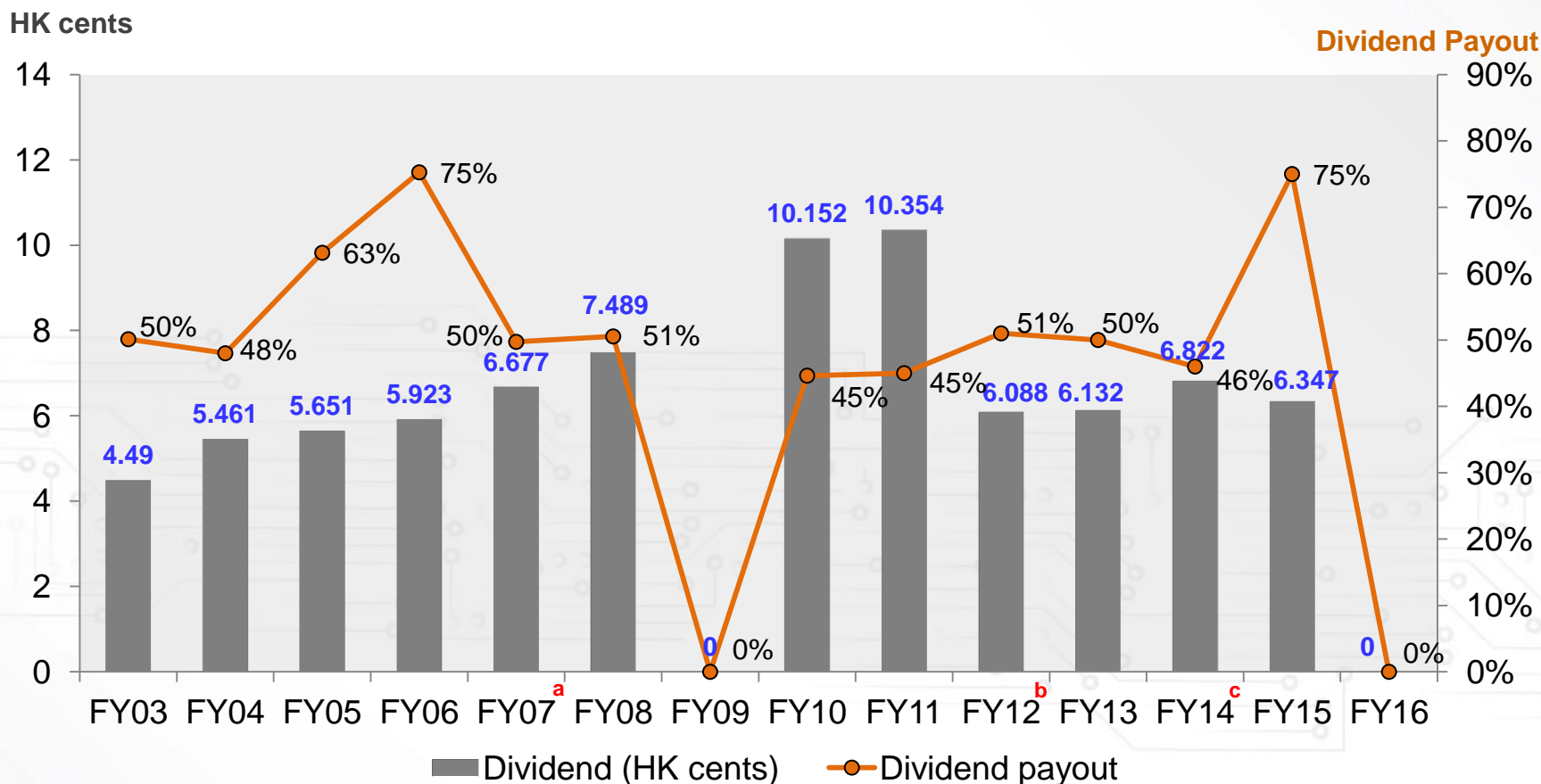
As of March 31, 2016

FY2016 Results Highlights

WILLAS-ARRAY™
Willas-Array Electronics (Holdings) Limited
威雅利電子(集團)有限公司



Dividend & 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 and Loss

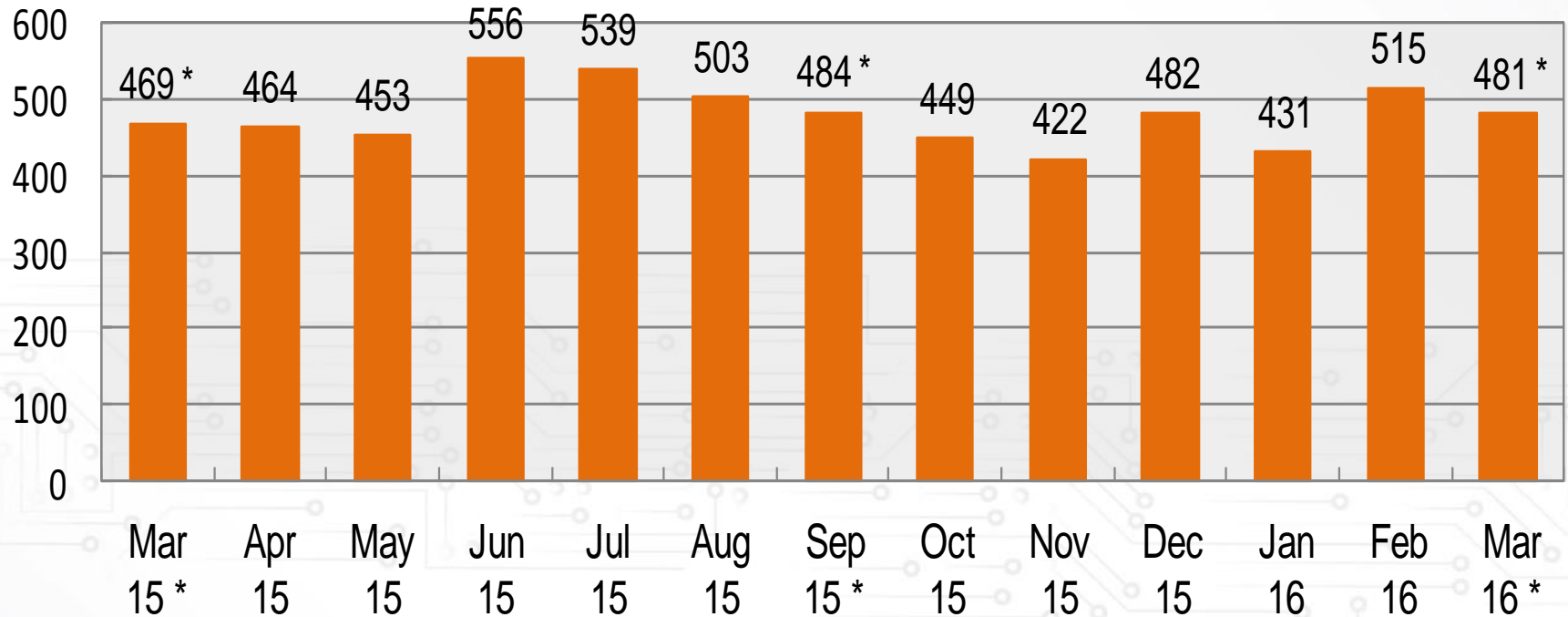
	FY 16 HK\$'000	FY 15 HK\$'000	Inc (Dec) HK\$'000	% Change %
Turnover	3,642.2	3,392.0	250.2	7.4%
EBITDA *	85.8	77.3	8.5	10.9%
Depreciation & Amortization	(14.5)	(11.6)	(2.9)	25.4%
Finance costs	(20.9)	(16.9)	(4.0)	23.3%
(Loss) profit before tax *	50.4	48.8	1.6	3.2%
Income tax expenses	(12.1)	(12.1)	0.0	-0.4%
(Loss) profit after tax *	38.3	36.7	1.6	4.4%
Minority interests	(1.6)	1.7	(3.3)	-189.6%
(Loss) profit attributable to shareholders *	36.7	38.4	(1.7)	-4.4%
Share of (loss) profit of associates	(38.2)	(6.5)	(31.7)	490.1%
Impairment loss recognised in respect of interests in associates	(70.1)	0.0	(70.1)	NM
(Loss) profit attributable to shareholders including associates' result	(71.6)	31.9	(103.5)	-324.1%
(LPS) EPS (HK cents)	(94.90)	42.52	(137.42)	-323.3%

* Figures excluding associates' result

NM : Not meaningful

Inventory Level

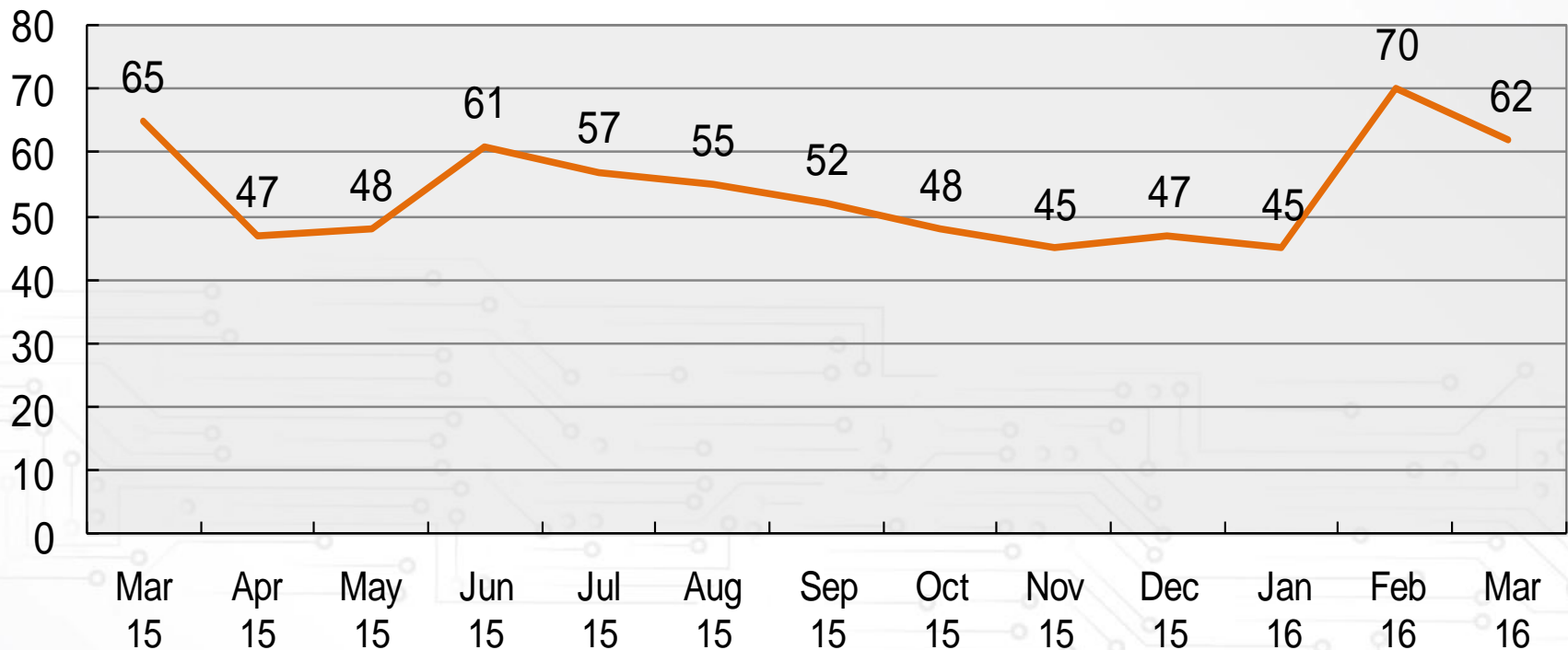
In HK\$'M



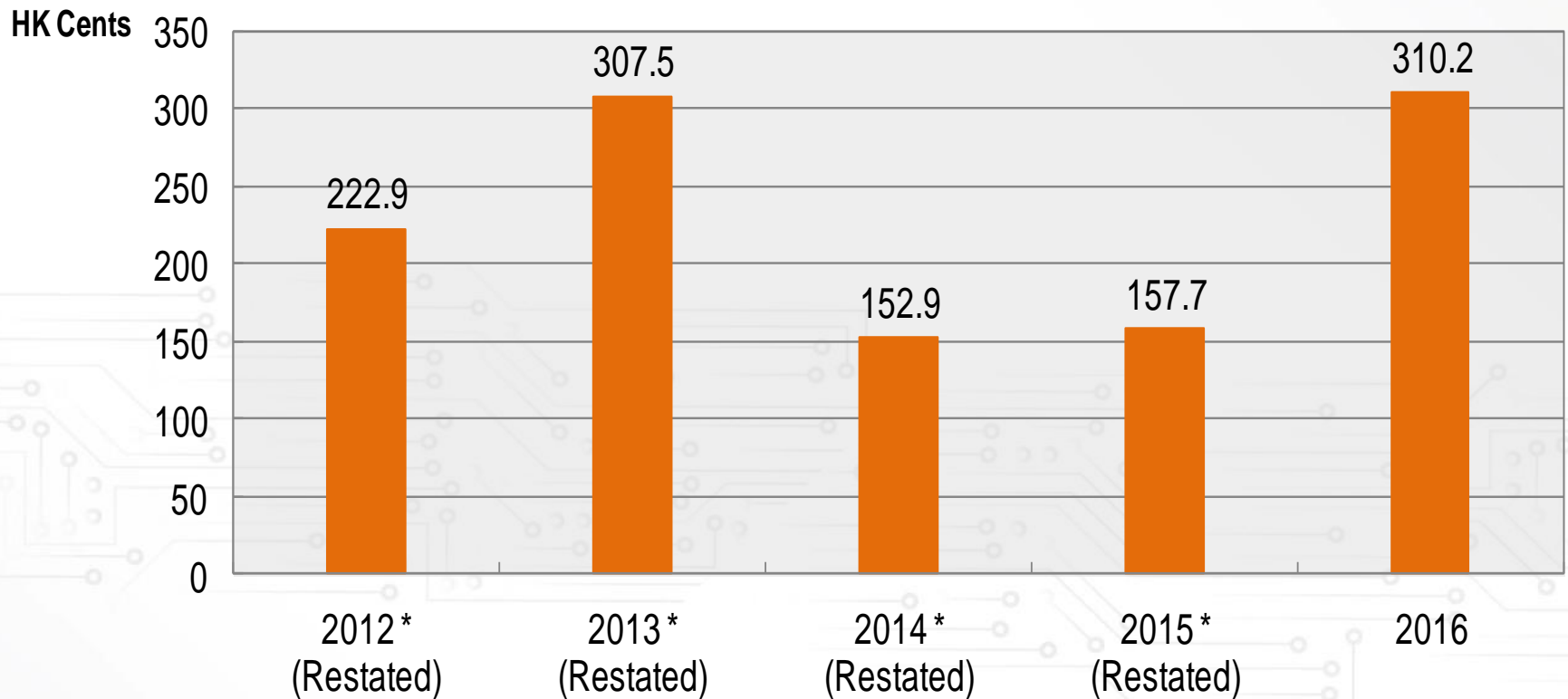
* Excluding Goods-in-Transit

Inventory Turnover Ratio

No. of days




Net Cash Per Share



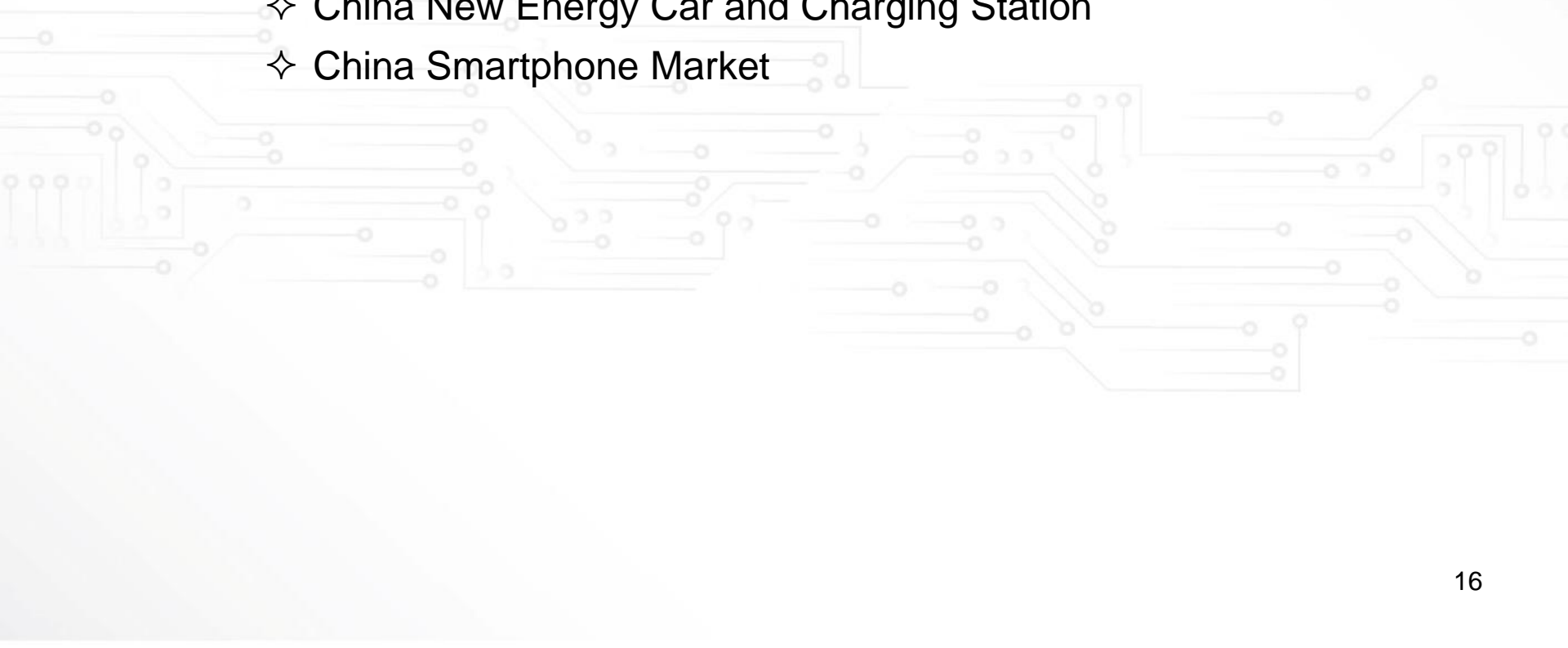
Net Cash: Cash and bank balances less bank borrowings

* 2012, 2013, 2014, and 2015's figures are restated after taking the effect of 5-for-1 share consolidation effective on August 17, 2015.

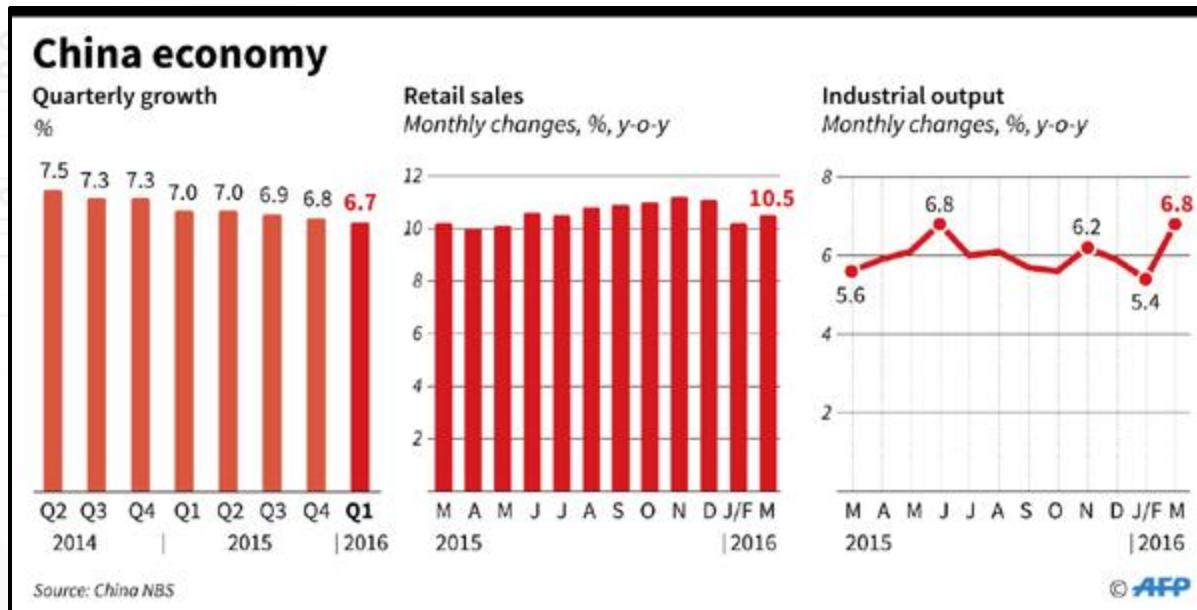
Business Review

- Market Update
 - Business Segment Review
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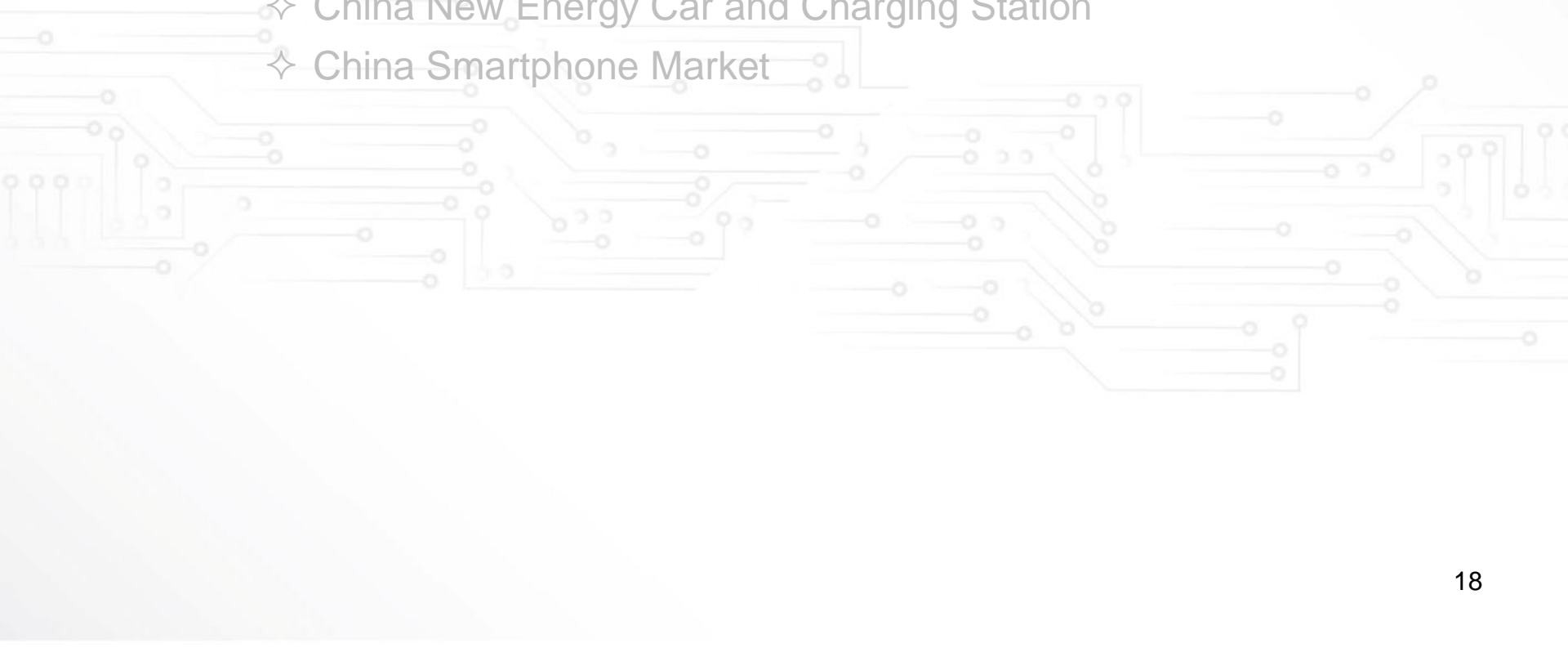
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- China's economy continues to slow in Q1 2016, GDP grew 6.7% year on year in the first quarter of 2016 to reach 15.9 trillion yuan.
- China has set a target of 6.5% to 7% GDP growth for 2016, and at least 6.5% annual growth through 2020.



Business Review

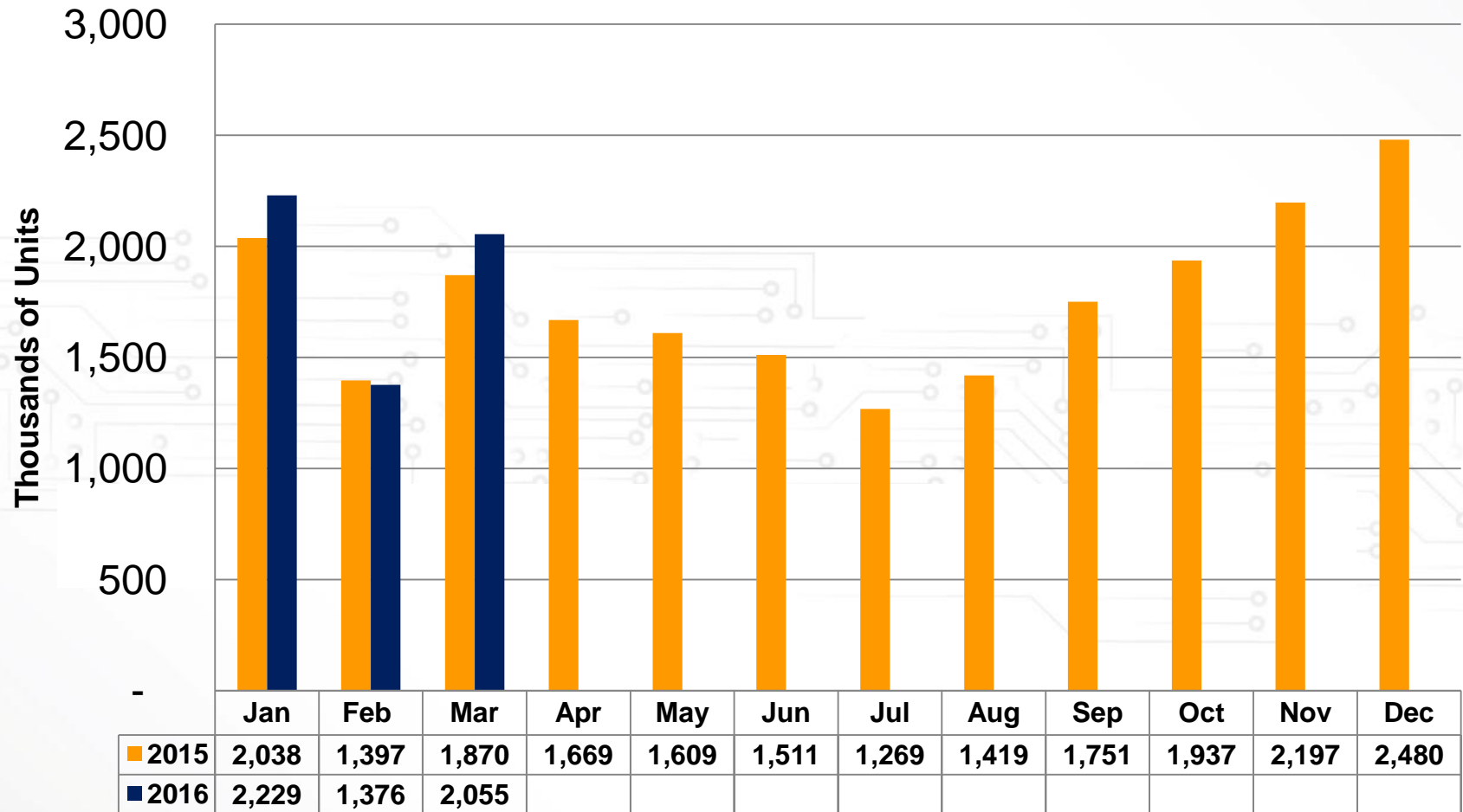
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- **The growth of passenger cars slowed down for the first two months of 2016**
The production and sales of passenger cars reached 6,590,500 and 6,526,700 units respectively, up 6.18% and 5.98% year on year respectively. Their growth rates increased 0.92 % and 2.08 %.
- **The production and sales of automobiles witnessed a stable growth in 2015**
Reached 24,503,300 and 24,597,600 units respectively, up 3.3% and 4.7% year on year. The volumes set new records. However, their growth rates decreased 4% points and 2.2 % points comparing with 2014.
- **The market share of Chinese brand passenger cars increased/ 2015**
In 2015, the total sales of Chinese brand passenger cars reached 8,737,600 units, up 15.3% year on year. The market share increased 2.9 % points than 2014, reaching 41.3%

China Passenger Vehicle Sales

2015, 2016

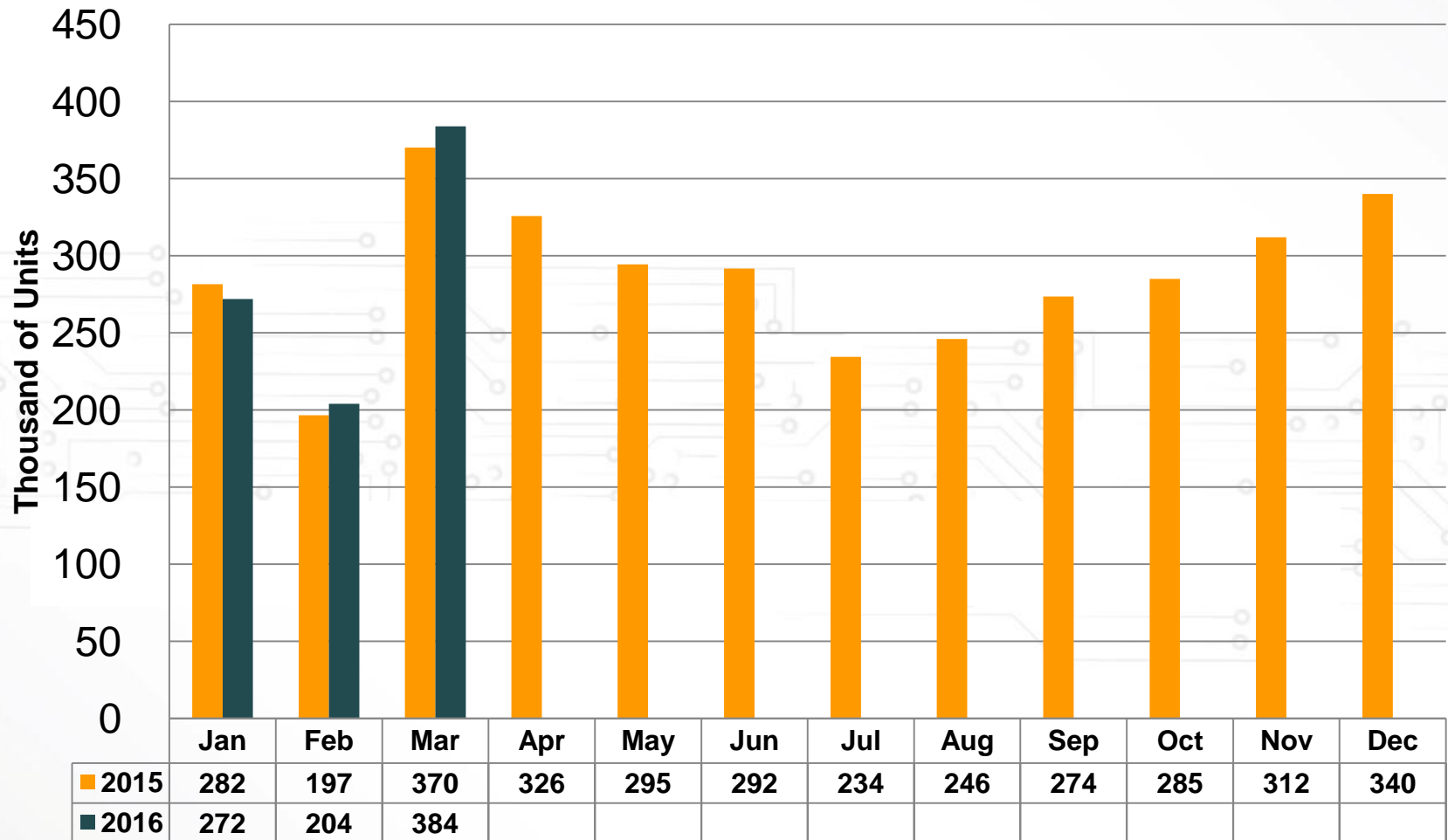
China Passenger Vehicle Sales



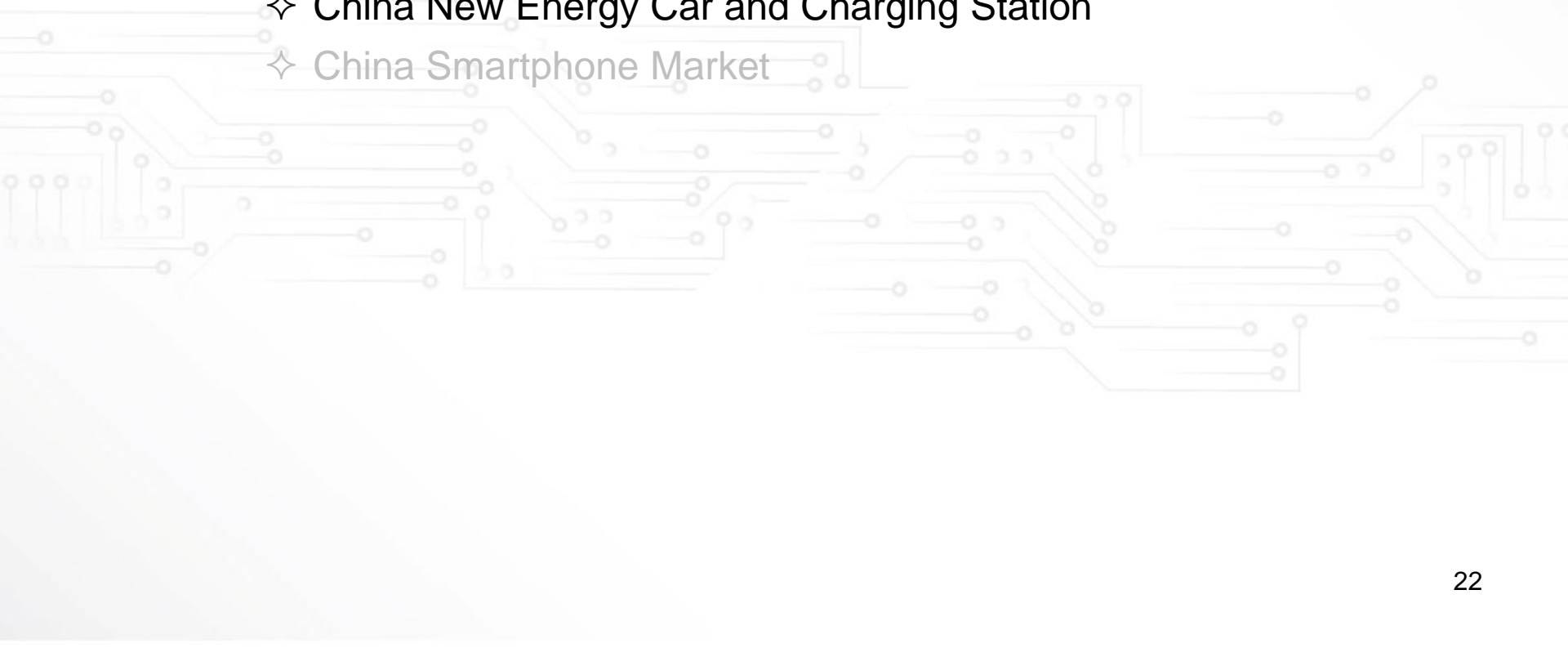
China Commercial Vehicle Sales

2014, 2015

China Commercial Vehicle Sales

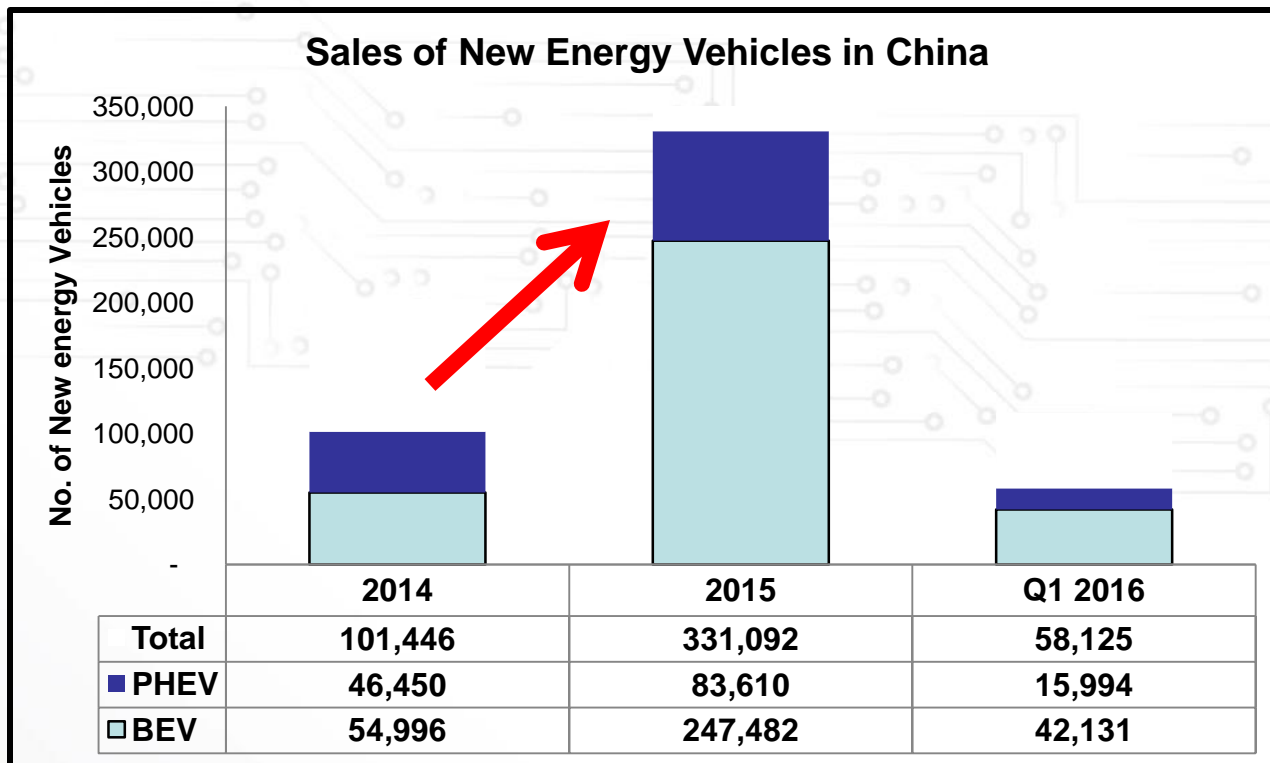


Business Review

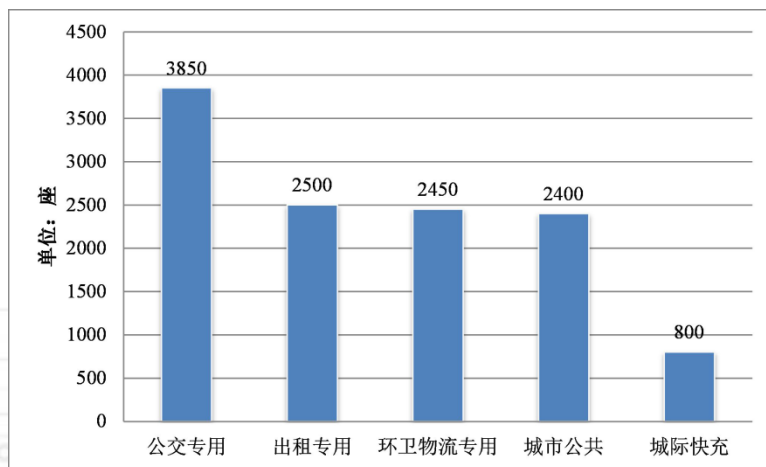
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China – New Energy Vehicles

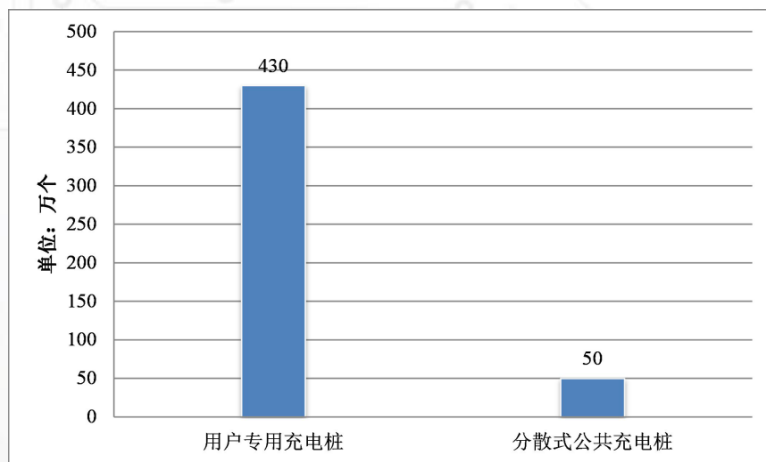
- Production and sales of New Energy Vehicles increased significantly by Q1 2016.
- According to CAAM, for Q1 of 2016, the production and sales of new energy vehicles reached 62,663 units and 58,125 units respectively, both increasing 1.1 and 1.0 times year on year.



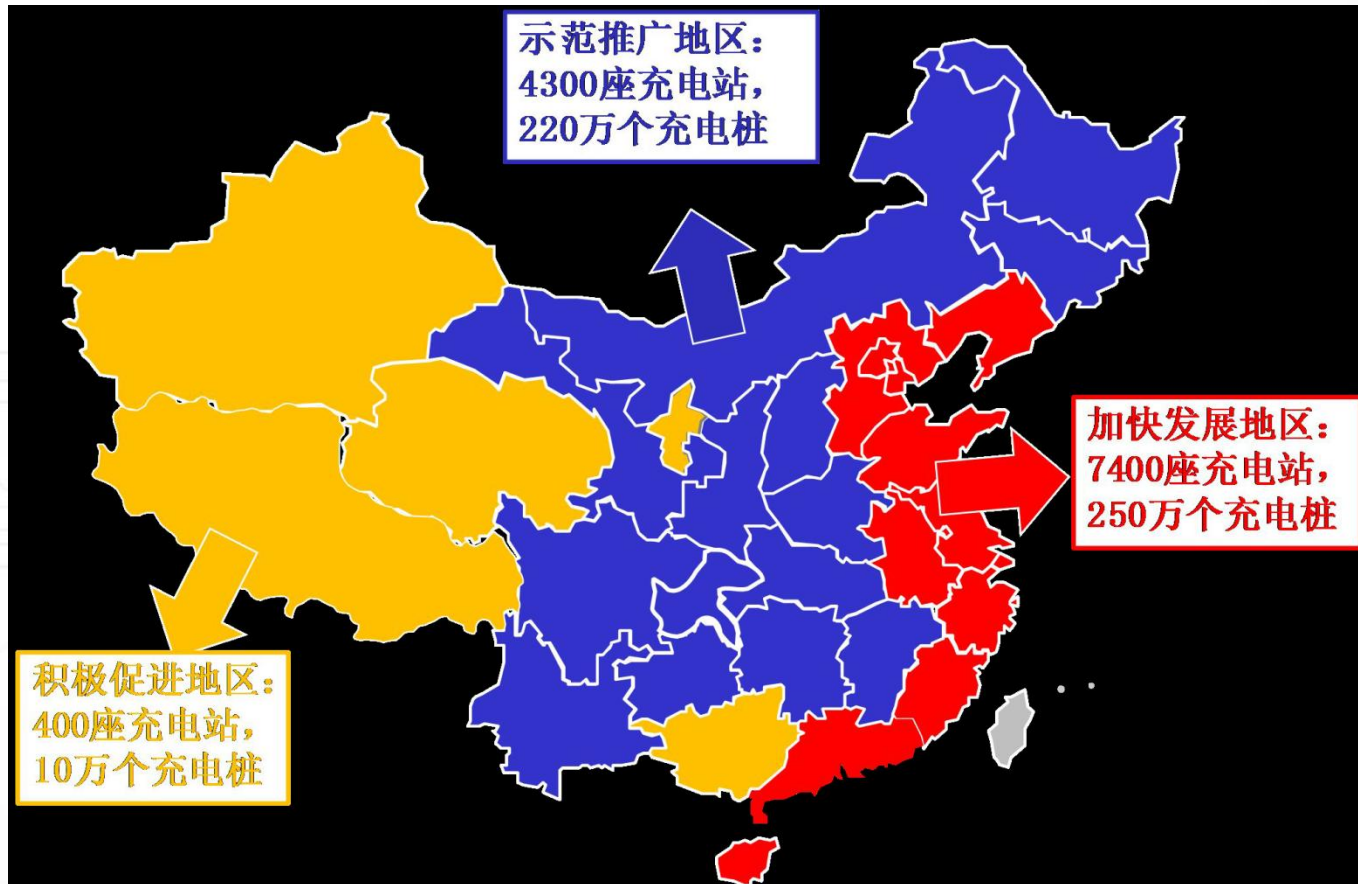
2015-2020 年新增各类充电设施总体目标



集中式充换电站
Centralized charging station



分散式充电桩
Discrete charging pile



2015-2020 充电基础设施分区域建设目标

Construction of charging infrastructure sub-regional objectives


China – Charging Station Market Size

- The average annual growth rate of Charging station and charging pile will be 58% and 132%. It is estimated that the market size is expected to charge pile more than 100 billion RMB.

充电桩市场空间	
	2020E
电动汽车保有量 (万辆)	500
-电动公交车	20
-电动出租车	30
-电动环卫, 物流车	20
-电动公务与私人乘用车	430
集中式充电站 (万座)	1.2
-估计其中直流充电桩 (万个)	95
-直流桩单价 (万元)	8
集中式充电桩市场 (亿元)	764
分散式充电桩 (万个)	480
-交流桩单价(万元)	0.6
分散式直流桩市场 (亿元)	288
合计市场 (亿元)	1,052

[Source: 聚桐分析, Dec 2015]

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Worldwide –Smartphone Shipment Q1 2016

- Trend Force reports that the worldwide smartphone shipments in the first quarter of 2016 totaled 292 million units, down 18.6% from the previous quarter and a year-on-year decline of 1.3%. The decrease was mainly attributed to market saturation.
- The Chinese brands shipped 125 million products in Q1 2016, surpassing 123 million shipments from Apple and Samsung combined for the first time, and accounting for 42.9% of the global smartphone shipment.

Table 1: Top Six Global Smartphone Brands by Worldwide Market Share, 4Q15~1Q16

Company	1Q16		4Q15	
	Ranking	Market share	Ranking	Market share
Samsung	1	27.80%	1	22.10%
Apple	2	14.40%	2	20.90%
Huawei	3	9.30%	3	9.50%
Lenovo	4	5.80%	4	5.00%
Xiaomi	5	5.50%	4	5.00%
LG	6	5.10%	6	4.50%
Others	--	32.10%	--	33.10%
Shipment Total (Unit: K)		291,700		358,199

Source: TrendForce, Apr., 2016

Worldwide Smartphone 2015

Table 1: Top Ten Smartphone Vendors Based on Market Share

Rankings	2014		2015		2016	
	Company	Market Share	Company	Market Share	Company	Market Share(E)
1	Samsung	27.8%	Samsung	24.8%	Samsung	22.2%
2	Apple	16.4%	Apple	17.5%	Apple	16.8%
3	Lenovo+Motorola	7.9%	Huawei	8.4%	Huawei	9.3%
4	Huawei	6.2%	Xiaomi	5.6%	Lenovo	6.1%
5	LG	5.4%	Lenovo	5.4%	Xiaomi	5.8%
6	Xiaomi	5.2%	LG	5.3%	LG	5.0%
7	Coolpad	4.2%	TCL	4.0%	TCL	4.0%
8	Sony	3.9%	OPPO	3.8%	OPPO	3.9%
9	TCL	3.3%	BBK/VIVO	3.3%	BBK/VIVO	3.4%
10	ZTE	3.1%	ZTE	3.1%	ZTE	3.1%
	Others	16.6%	Others	18.8%	Others	20.3%
Shipment Total (Unit: M)	1,172.3		1,292.7		1,397.1	

Note: Data are preliminary and subject to change.

Source: TrendForce, Jan., 2016

[Source: TrendForce Jan 2016]

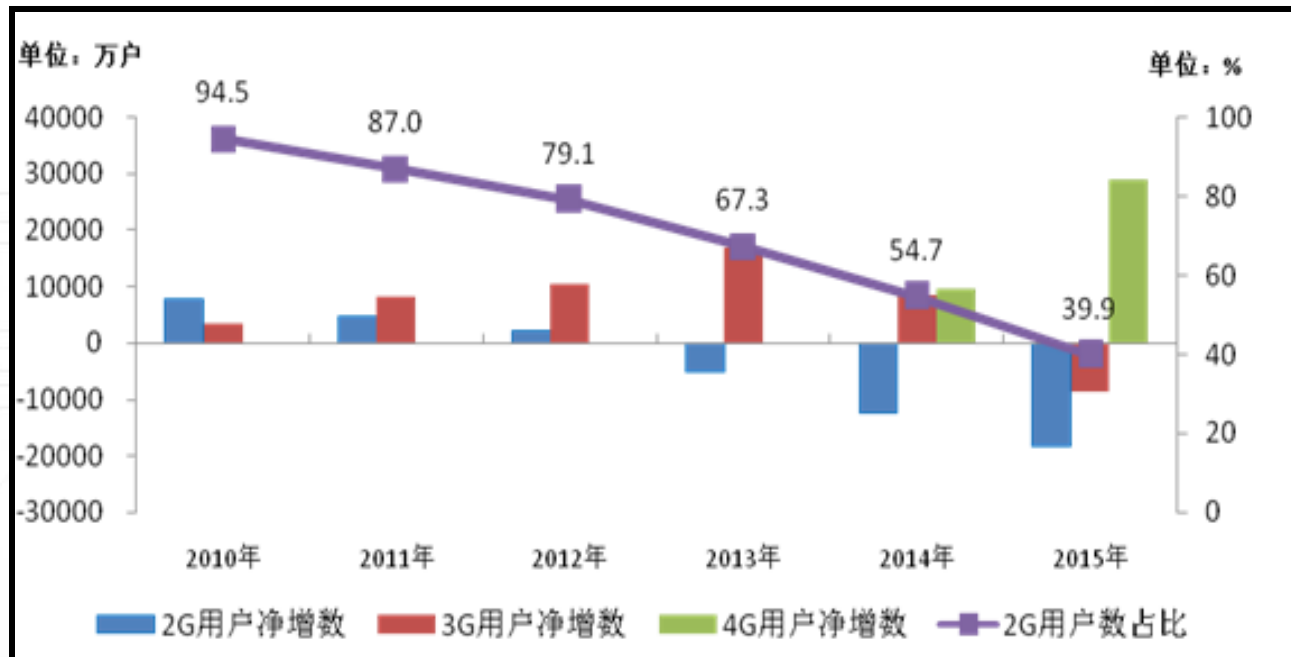
China – Smartphone Market 2015

China Smartphone (%)	2014	2015	% YoY Growth
Xiaomi	13.3%	14.9%	14%
Huawei	9.6%	14.3%	52%
Apple	10.1%	14.3%	45%
vivo	3.8%	8.4%	125%
Oppo	3.5%	7.8%	125%
Samsung	12.8%	7.7%	-39%
Coolpad	9.1%	6.0%	-33%
Lenovo	11.2%	4.8%	-57%
ZTE	5.9%	4.3%	-25%
Meizu	0.9%	4.2%	370%
Others	19.8%	13.4%	-31%
Total	100.0%	100.0%	2.1%

2015 Market share of Smartphone in China

[Source: Counterpoint, Feb 2016]

2010-2015 Number of 2G/3G/4G Users
2010-2015 年各制式移动电话用户发展情况



- Number of new 4G users by 2015 is 288.94 million.
- Total number of 4G users reached 386.23 million. The penetration rate is 29.6%.

Business Review

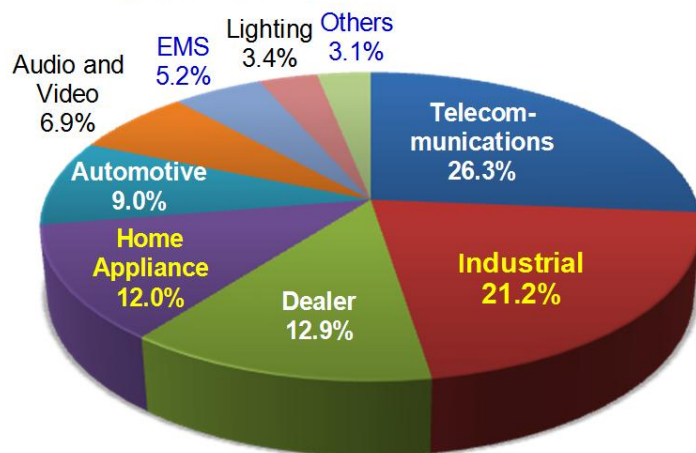
- Business Segment Review

Business Segment Review

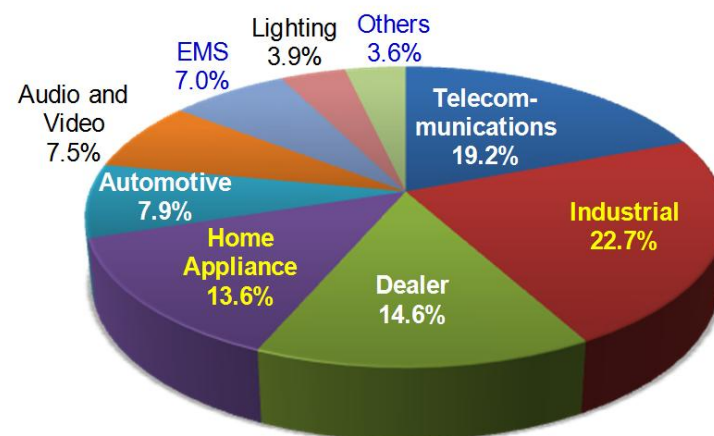
(in HK\$'000)

	FY 2016			FY 2015			Increase (Decrease)	
Turnover		%			%			%
Telecommunications	959,746	26.3%		650,794	19.2%		308,952	47.5%
Industrial	771,287	21.2%		770,067	22.7%		1,220	0.2%
Dealer	470,369	12.9%		495,653	14.6%		(25,284)	-5.1%
Home Appliance	437,693	12.0%		463,904	13.6%		(26,211)	-5.7%
Automotive	327,447	9.0%		268,436	7.9%		59,011	22.0%
Audio and Video	251,275	6.9%		253,211	7.5%		(1,936)	-0.8%
EMS	189,177	5.2%		236,316	7.0%		(47,139)	-19.9%
Lighting	123,220	3.4%		132,091	3.9%		(8,871)	-6.7%
Others	112,032	3.1%		121,525	3.6%		(9,493)	-7.8%
	3,642,246	100.0%		3,391,997	100.0%		250,249	7.4%

Segmental Analysis for FY 2016



Segmental Analysis for FY 2015



Thank You!

WILLAS-ARRAY™
Willas-Array Electronics (Holdings) Limited
威雅利電子(集團)有限公司

