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**WILLAS-ARRAY**  
**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)**

**UPDATE ANNOUNCEMENT ON THE COMPLETION OF  
AUDITING PROCESS OF THE FINAL RESULTS  
FOR THE NINE MONTHS ENDED DECEMBER 31, 2024**

Reference is made to the announcement of Willas-Array Electronics (Holdings) Limited (the “Company”, together with its subsidiaries, the “Group”, “We” or “Our”) dated March 28, 2025 (the “2024 Unaudited Final Results Announcement”) in relation to the unaudited financial results of the Group for the nine months ended December 31, 2024 (the “2024 Final Results”) which was released pursuant to Rule 705(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), and which have yet to be agreed by the Company’s auditor as required under Rule 13.49(2) of the Rules Governing the Listing of Securities on the SEHK (the “HK Listing Rules”). Unless otherwise defined or the context otherwise requires, capitalised terms in this announcement shall have the same meanings as defined in the Unaudited Results Announcement.

The board (the “Board”) of directors (the “Directors”) of the Company wishes to announce that on May 21, 2025, the auditing process of the 2024 Final Results has been completed. The Company has now obtained the auditors’ report from the Company’s auditor, Ernst & Young LLP (“EY Singapore”), on the 2024 Final Results (including the figures in respect of the Group’s consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto) as set out in the 2024 Audited Final Results Announcement.

Pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, the Board wishes to announce the material variances between the audited financial statements of the Group for FY2024 (the “Audited Results”) and the Unaudited Results following the finalisation of audit by the Company’s Independent Auditors, EY Singapore. The differences between the unaudited financial information and the audited financial information contained in this announcement are set out in the section headed “MATERIAL DIFFERENCES BETWEEN 2024 AUDITED FINAL RESULTS AND 2024 UNAUDITED FINAL RESULTS ANNOUNCEMENT” in this announcement in accordance with Rule 13.49(3)(ii)(b) of the HK Listing Rules.

The Board hereby presents the 2024 Final Results together with the comparative figures for the year ended March 31, 2024 as follows:

### FINANCIAL HIGHLIGHTS

	<b>Nine months ended December 31, 2024 <i>HK\$'000</i></b>	<b>Year ended March 31, 2024 <i>HK\$'000</i></b>	<b>Change %</b>
Revenue	<b>1,828,900</b>	2,664,883	<b>–31.4</b>
Gross profit	<b><u>68,336</u></b>	100,397	<b><u>–31.9</u></b>
Loss before tax	<b><u>(68,495)</u></b>	(170,004)	<b><u>–59.7</u></b>
Loss to owners of the Company	<b><u>(61,601)</u></b>	(169,223)	<b><u>–63.6</u></b>
Basic loss per share (HK cents)	<b><u>(70.25)</u></b>	(193.13)	<b><u>–63.6</u></b>

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the nine months ended December 31, 2024*

		<b>Nine months ended December 31, 2024</b>	<b>Year ended March 31, 2024</b>	<b>Change</b>
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>%</i>
Revenue		<b>1,828,900</b>	2,664,883	<b>-31.4</b>
Cost of sales	3	<b><u>(1,760,564)</u></b>	<u>(2,564,486)</u>	<b>-31.3</b>
Gross profit		<b><u>68,336</u></b>	100,397	<b>-31.9</b>
Other income		<b><u>2,965</u></b>	2,168	<b>36.8</b>
Distribution costs		<b><u>(14,137)</u></b>	(22,591)	<b>-37.4</b>
Administrative expenses		<b><u>(106,485)</u></b>	(171,586)	<b>-37.9</b>
Other gains and losses		<b>125</b>	(17,254)	<b>NM</b>
Impairment losses reversed (recognised) under expected credit loss ("ECL") model, net		<b>7,813</b>	(7,820)	<b>NM</b>
Loss on fair value change of investment property		<b><u>(188)</u></b>	(715)	<b>-73.7</b>
Finance costs		<b><u>(26,924)</u></b>	<u>(52,603)</u>	<b>-48.8</b>
Loss before tax		<b><u>(68,495)</u></b>	(170,004)	<b>-59.7</b>
Income tax credit	4	<b><u>6,893</u></b>	707	<b>NM</b>
Loss for the period/year	5	<b><u>(61,602)</u></b>	<u>(169,297)</u>	<b>-63.6</b>

# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – continued**

*For the nine months ended December 31, 2024*

		<b>Nine months ended December 31, 2024</b>	<b>Year ended March 31, 2024</b>	<b>Change %</b>
	<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
Other comprehensive expense				
<i>Items that will not be reclassified to profit or loss:</i>				
– Loss on revaluation of owned properties		(22,392)	(7,030)	NM
– Income tax relating to loss recognised in other comprehensive income		4,258	1,648	158.4
		<u>(18,134)</u>	<u>(5,382)</u>	NM
<i>Item that may be reclassified subsequently to profit or loss:</i>				
– Exchange differences arising from translation of foreign operations		(4,750)	(13,464)	–64.7
Other comprehensive expense for the period/year		<u>(22,884)</u>	<u>(18,846)</u>	<u>21.4</u>
Total comprehensive expense for the period/year		<u><u>(84,486)</u></u>	<u><u>(188,143)</u></u>	<u>–55.1</u>
Loss attributable to:				
Owners of the Company		(61,601)	(169,223)	–63.6
Non-controlling interests		(1)	(74)	–98.6
		<u><u>(61,602)</u></u>	<u><u>(169,297)</u></u>	<u>–63.6</u>
Total comprehensive expense attributable to:				
Owners of the Company		(84,489)	(188,064)	–55.1
Non-controlling interests		3	(79)	NM
		<u><u>(84,486)</u></u>	<u><u>(188,143)</u></u>	<u>–55.1</u>
Loss per share				
– Basic (HK cents)	16	<u><u>(70.25)</u></u>	<u><u>(193.13)</u></u>	<u>–63.6</u>
– Diluted (HK cents)		<u><u>(70.25)</u></u>	<u><u>(193.13)</u></u>	<u>–63.6</u>

NM – Not Meaningful

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

		December 31, 2024	March 31, 2024
	NOTES	HK\$'000	HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	6	205,783	240,789
Right-of-use assets		2,941	3,953
Investment property		10,043	10,231
Club debentures		2,001	2,001
Interest in an associate		—	—
Financial assets measured at fair value through other comprehensive income ("FVTOCI")	7	8,639	—
Long-term deposits		1,363	2,622
Deferred tax assets		2,281	485
		<u>233,051</u>	<u>260,081</u>
Total non-current assets			
<b>Current assets</b>			
Inventories		417,928	707,663
Trade receivables	8	708,448	816,508
Other receivables, deposits and prepayments		8,367	7,845
Amounts due from related companies	9	948	167
Income tax recoverable		4,321	8,708
Cash and cash equivalents		41,412	68,851
		<u>1,181,424</u>	<u>1,609,742</u>
Total current assets			
<b>Total assets</b>		<u><u>1,414,475</u></u>	<u><u>1,869,823</u></u>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued**

*As at December 31, 2024*

		<b>December 31, 2024</b>	March 31,
	<i>NOTES</i>	<i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Current liabilities</b>			
Trade payables	11	<b>322,998</b>	735,772
Other payables		<b>31,861</b>	33,356
Contract liabilities		<b>3,256</b>	3,551
Income tax payable		<b>550</b>	784
Trust receipt loans		<b>140,044</b>	268,246
Bank borrowings		<b>316,905</b>	297,210
Lease liabilities		<b>2,054</b>	2,354
Loans from the ultimate holding company	12	<b>163,180</b>	–
Total current liabilities		<b>980,848</b>	1,341,273
<b>Net current assets</b>		<b>200,576</b>	268,469
<b>Total assets less current liabilities</b>		<b>433,627</b>	528,550
<b>Capital, reserves and non-controlling interests</b>			
Share capital	13	<b>87,692</b>	87,622
Reserves		<b>330,580</b>	414,864
Equity attributable to owners of the Company		<b>418,272</b>	502,486
Non-controlling interests		<b>–</b>	89
Total equity		<b>418,272</b>	502,575
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>14,517</b>	24,335
Lease liabilities		<b>838</b>	1,640
Total non-current liabilities		<b>15,355</b>	25,975
<b>Total liabilities and equity</b>		<b>1,414,475</b>	1,869,823

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended December 31, 2024

	Attributable to owners of the Company									
	Share capital	Capital reserves	Statutory reserve	Property revaluation reserve	Currency translation reserve	Financial assets measured at FVTOCI reserve	Other reserve	Accumulated profits	Subtotal	Non-controlling interests
	HK\$'000	HK\$'000 (Note i)	HK\$'000 (Note ii)	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note iii)	HK\$'000	HK\$'000	HK\$'000
At April 1, 2023	87,622	199,780	28,771	125,090	(5,355)	(16,448)	(3,561)	274,651	690,550	66
Total comprehensive expense for the year:										
Loss for the year	-	-	-	-	-	-	-	(169,223)	(169,223)	(74)
Other comprehensive expense for the year	-	-	-	(5,382)	(13,459)	-	-	-	(18,841)	(5)
Total	-	-	-	(5,382)	(13,459)	-	-	(169,223)	(188,064)	(79)
Transactions with owners, recognised directly in equity:										
Capital contribution from non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	102
Share options forfeited	-	(752)	-	-	-	-	-	752	-	-
Transfer from property revaluation reserve	-	-	-	(6,127)	-	-	-	6,127	-	-
Transfer of statutory reserve	-	-	(2,596)	-	-	-	-	2,596	-	-
Total	-	(752)	(2,596)	(6,127)	-	-	-	9,475	-	102
At March 31, 2024	87,622	199,028	26,175	113,581	(18,814)	(16,448)	(3,561)	114,903	502,486	89

# **CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – continued**

*For the nine months ended December 31, 2024*

	Attributable to owners of the Company										
	Share capital	Capital reserves	Statutory reserve	Property revaluation reserve	Currency translation reserve	Financial assets measured at FVTOCI reserve	Other reserve	Accumulated profits	Subtotal	Non-controlling interests	Total
	HK\$'000	HK\$'000 (Note i)	HK\$'000 (Note ii)	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note iii)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At April 1, 2024	87,622	199,028	26,175	113,581	(18,814)	(16,448)	(3,561)	114,903	502,486	89	502,575
Total comprehensive expense for the period:											
Loss for the period	-	-	-	-	-	-	-	(61,601)	(61,601)	(1)	(61,602)
Other comprehensive (expense) income for the period	-	-	-	(18,134)	(4,754)	-	-	-	(22,888)	4	(22,884)
Total	-	-	-	(18,134)	(4,754)	-	-	(61,601)	(84,489)	3	(84,486)
Transactions with owners, recognised directly in equity:											
Dissolution of a subsidiary	-	-	-	-	6	-	86	-	92	(92)	-
Exercise of share options	70	113	-	-	-	-	-	-	183	-	183
Share options forfeited	-	(503)	-	-	-	-	-	503	-	-	-
Transfer from property revaluation reserve	-	-	-	(4,429)	-	-	-	4,429	-	-	-
Transfer of statutory reserve	-	-	(4,130)	-	-	-	-	4,130	-	-	-
Total	70	(390)	(4,130)	(4,429)	6	-	86	9,062	275	(92)	183
At December 31, 2024	87,692	198,638	22,045	91,018	(23,562)	(16,448)	(3,475)	62,364	418,272	-	418,272

*Notes:*

- (i) Capital reserves comprise share premium, contributed surplus and share options reserve. Contributed surplus represents the difference between the underlying net tangible assets of the subsidiaries which were acquired by the Company at the date of the group reorganisation in 2001 and the nominal amount of the shares issued by the Company under the reorganisation.
- (ii) The statutory reserve is non-distributable and was appropriated from profit after tax of the Company's subsidiaries in the People's Republic of China (the "PRC") and Taiwan under the respective laws and regulations of the PRC and Taiwan.
- (iii) Other reserve comprises a debit amount of HK\$3,475,000 and represents the difference between the fair value of the consideration paid and the carrying amount of the net assets attributable to the additional interest in certain then subsidiaries acquired during the year ended March 31, 2017 and the dissolution of a subsidiary, namely WinStar Smart Technology (Suzhou) Company Limited which principal activities was provision of IoT application services and suffered significant losses in recent years, during the nine months ended December 31, 2024. Provision of IoT application services was not principal business of the Group.



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended December 31, 2024

	Nine months ended December 31, 2024 HK\$'000	Year ended March 31, 2024 HK\$'000
<b>Operating activities</b>		
Loss before tax	(68,495)	(170,004)
Adjustments for:		
Depreciation of property, plant and equipment	10,098	14,657
Depreciation of right-of-use assets	1,847	7,928
Interest expense on bank borrowings and trust receipt loans	24,349	52,248
Interest expense on loans from the ultimate holding company	2,449	—
Interest expense on lease liabilities	126	355
Allowance for inventories	26,111	83,389
Impairment losses (reversed) recognised under ECL model, net	(7,813)	7,820
(Gain) loss on disposal of property, plant and equipment	(66)	1,740
Loss on fair value change of investment property	188	715
Net loss on fair value changes of derivative financial instruments	—	682
Loss on termination of leases, net	—	252
Unrealised exchange (gain) loss	(1,089)	5,542
Interest income	(414)	(1,223)
Operating cash flows before movements in working capital	(12,709)	4,101
Decrease (increase) in inventories	262,629	(206,440)
Decrease (increase) in trade receivables	25,797	(36,705)
Increase in other receivables, deposits and prepayments	(601)	(326)
Decrease in long-term deposits	1,228	1,328
Increase in amounts due from related companies	(781)	(167)
(Decrease) increase in trade payables	(405,600)	355,752
(Decrease) increase in other payables	(10,532)	1,158
(Decrease) increase in contract liabilities	(273)	642
Cash (used in) generated from operations	(140,842)	119,343
Income tax refunded (paid)	3,874	(5,466)
Interest paid	(26,537)	(55,708)
Interest received	414	1,223
Net cash (used in) generated from operating activities	(163,091)	59,392

# **CONSOLIDATED STATEMENT OF CASH FLOWS – continued**

*For the nine months ended December 31, 2024*

	<b>Nine months ended December 31, 2024 HK\$'000</b>	<b>Year ended March 31, 2024 HK\$'000</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(405)	(5,123)
Investments in unlisted equity securities	(2,160)	–
Proceeds from disposal of property, plant and equipment	<u>444</u>	<u>738</u>
Net cash used in investing activities	<u>(2,121)</u>	<u>(4,385)</u>
<b>Financing activities</b>		
Capital contribution from non-controlling interests of a subsidiary	–	102
Proceeds from exercise of share options	183	–
Repayments of trust receipt loans	(847,633)	(1,909,213)
Proceeds from trust receipt loans	719,917	1,521,523
Repayments of bank borrowings	(794,914)	(885,213)
Proceeds from bank borrowings	<u>898,474</u>	<u>982,567</u>
Repayments of Loans from the ultimate holding company	(34,935)	–
Proceeds from Loans from the ultimate holding company	200,370	–
Repayment of lease liabilities	<u>(2,065)</u>	<u>(8,850)</u>
Net cash generated from (used in) financing activities	<u>139,397</u>	<u>(299,084)</u>
Net decrease in cash and cash equivalents	<u>(25,815)</u>	<u>(244,077)</u>
Cash and cash equivalents at beginning of the period/year	68,851	317,230
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	<u>(1,624)</u>	<u>(4,302)</u>
Cash and cash equivalents at end of the period/year	<u><u>41,412</u></u>	<u><u>68,851</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended December 31, 2024*

## 1. GENERAL INFORMATION

The Company was incorporated in Bermuda on August 3, 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda with its registered office at Victoria Place, 5/F, 31 Victoria Street, Hamilton HM10, Bermuda. Its principal place of business is located at 24/F, Wyler Centre, Phase 2, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong. The issued ordinary shares of the Company are listed and traded on the Main Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the Main Board of The Stock Exchange of Hong Kong Limited (the “SEHK”). The consolidated financial statements of the Group are presented in Hong Kong dollars which is also the functional currency of the Company. All values are rounded to the nearest thousand except otherwise indicated.

The immediate holding company of the Company is Texin (HongKong) Electronics Co. Limited, which is in turn wholly owned by Shanghai YCT Electronics Group Co., Ltd. (“Shanghai YCT”), a company incorporated in the People’s Republic of China (the “PRC”) with its shares listed on the Shenzhen Stock Exchange.

The principal activity of the Company is investment holding and the Company’s subsidiaries are principally engaged in the trading of electronic components.

## 2. PRINCIPAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain properties and financial instruments, which are measured at fair values, as disclosed in the accounting policies in the group annual financial statements for the year ended March 31, 2024.

Other than additional accounting policies resulting from the application of amendments to International Financial Reporting Standards (“IFRS Accounting Standards”) issued by the International Accounting Standards Board (the “IASB”), the accounting policies and methods of computation used in the consolidated financial statements for the nine months ended December 31, 2024 are the same as those presented in the Group’s annual financial statements for the year ended March 31, 2024.

During the period, the Group changed its financial year ended date from March 31 to December 31 to align with the financial year end of its ultimate controlling shareholder, Shanghai YCT, following the close of the voluntary unconditional cash offers made by Texin as announced by the Company on September 27, 2024. The current period of consolidated financial statements covers a nine-month period ended December 31, 2024 and the comparative financial statements cover a twelve-month period ended March 31, 2024. The comparative amounts are therefore not entirely comparable.

## 2. PRINCIPAL ACCOUNTING POLICIES – continued

### *Amendments to IFRS Accounting Standards that are mandatorily effective for the current period*

In the current period, the Group has applied the following revised IFRS Accounting Standards for the first time, which are mandatorily effective for the Group's current period beginning on April 1, 2024 for the preparation of the Group's consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current (the "2020 Amendments")
Amendments to IAS 1	Non-current Liabilities with Covenants (the "2022 Amendments")
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the revised to IFRS Accounting Standards in the current period has had no material impact on the Group's financial positions and performance for the current period and prior year and/or on the disclosures set out in these consolidated financial statements.

## 3. SEGMENT INFORMATION

The Group is engaged in the trading of electronic components. Information reported to the executive directors of the Company, being the Group's chief operating decision maker (the "CODM") for the purposes of resource allocation and assessment of performance, is based on geographical locations as follows:

- Southern China Region;
- Northern China Region; and
- Taiwan

In addition, the CODM also reviews revenue by customers' market industries as disclosed in management discussion and analysis.

The CODM focuses on reportable segment profit which is gross profit earned by each segment. Other income, distribution costs, administrative expenses, other gains and losses, impairment losses reversed (recognised) under ECL model, net, loss on fair value change of investment property and finance costs are excluded from segment results.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

### 3. SEGMENT INFORMATION – continued

The following is an analysis of the Group's revenue and results by reportable and operating segments:

#### Nine months ended December 31, 2024

	Trading of electronic components					Total HK\$'000
	Southern China Region HK\$'000	Northern China Region HK\$'000	Taiwan HK\$'000	Sub-total HK\$'000	Elimination HK\$'000	
<b>Revenue</b>						
Sales – external	791,291	841,665	195,944	1,828,900	–	1,828,900
Sales – inter-company	444,808	439,898	879	885,585	(885,585)	–
	1,236,099	1,281,563	196,823	2,714,485	(885,585)	1,828,900
Cost of sales	<u>(1,209,020)</u>	<u>(1,248,556)</u>	<u>(188,573)</u>	<u>(2,646,149)</u>	885,585	<u>(1,760,564)</u>
<b>Gross profit/segment results</b>	<u>27,079</u>	<u>33,007</u>	<u>8,250</u>	<u>68,336</u>	–	<u>68,336</u>
Other income						2,965
Distribution costs						<u>(14,137)</u>
Administrative expenses						<u>(106,485)</u>
Other gains and losses						125
Impairment losses reversed under ECL model, net						7,813
Loss on fair value change of investment property						(188)
Finance costs						<u>(26,924)</u>
Loss before tax						<u>(68,495)</u>
Income tax credit						<u>6,893</u>
Loss for the period						<u>(61,602)</u>
Loss attributable to non-controlling interests						<u>(1)</u>
Loss attributable to owners of the Company						<u><u>(61,601)</u></u>

### 3. SEGMENT INFORMATION – continued

Year ended March 31, 2024

	Trading of electronic components					Total HK\$'000
	Southern China Region HK\$'000	Northern China Region HK\$'000	Taiwan HK\$'000	Sub- total HK\$'000	Elimination HK\$'000	
<b>Revenue</b>						
Sales – external	1,165,985	1,421,428	77,470	2,664,883	–	2,664,883
Sales – inter-company	672,208	681,090	16	1,353,314	(1,353,314)	–
	1,838,193	2,102,518	77,486	4,018,197	(1,353,314)	2,664,883
Cost of sales	(1,787,448)	(2,062,137)	(68,215)	(3,917,800)	1,353,314	(2,564,486)
<b>Gross profit/segment results</b>	<u>50,745</u>	<u>40,381</u>	<u>9,271</u>	<u>100,397</u>	<u>–</u>	100,397
Other income						2,168
Distribution costs						(22,591)
Administrative expenses						(171,586)
Other gains and losses						(17,254)
Impairment losses recognised under ECL model, net						(7,820)
Loss on fair value change of investment property						(715)
Finance costs						(52,603)
Loss before tax						(170,004)
Income tax credit						707
Loss for the year						(169,297)
Loss attributable to non-controlling interests						(74)
Loss attributable to owners of the Company						<u>(169,223)</u>

The management monitors the Group's assets and liabilities in one pool, which is more efficient and effective. Accordingly, no segment assets and liabilities information was presented to the CODM.

#### 4. INCOME TAX CREDIT

	Nine months ended December 31, 2024 <i>HK\$'000</i>	Year ended March 31, 2024 <i>HK\$'000</i>
The income tax credit comprises:		
Current tax:		
– Hong Kong	410	387
– PRC Enterprise Income Tax (“EIT”)	92	1,248
– Taiwan	392	1,081
– Taiwan withholding tax on dividends	861	234
	<u>1,755</u>	<u>2,950</u>
(Over) under provision in respect of prior year:		
– Hong Kong	–	1
– PRC EIT	(1,444)	11
– Taiwan	(44)	10
	<u>(1,488)</u>	<u>22</u>
Deferred tax:		
– Credit to the period/year	(7,160)	(3,679)
	<u>(6,893)</u>	<u>(707)</u>

For the nine months ended December 31, 2024, the Company was subject to Hong Kong Profits Tax at the rate of 16.5%. For the year ended March 31, 2024, under the two-tiered profits tax rates regime, the Company was subject to Hong Kong Profits Tax at the rate of 8.25% for the first HK\$2,000,000 of assessable profits, and the remaining profits at 16.5%. Subsidiaries of the Company incorporated in Hong Kong were subject to Hong Kong Profits Tax at the rate of 16.5% for the nine months ended December 31, 2024 and the year ended March 31, 2024.

Under the Law of the PRC on EIT (the “EIT Law”) and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (March 31, 2024: 25%). The tax rate of the Taiwan subsidiary is 20% (March 31, 2024: 20%).

## 5. LOSS FOR THE PERIOD/YEAR

Loss for the period/year has been arrived at or after charging (crediting):

	Nine months ended December 31, 2024 HK\$'000	Year ended March 31, 2024 HK\$'000
Cost of inventories recognised as expenses ( <i>Note i</i> )	<b><u>1,760,564</u></b>	2,564,486
Depreciation of property, plant and equipment	<b>10,098</b>	14,657
Depreciation of right-of-use assets	<b>1,847</b>	7,928
Directors' emoluments ( <i>Note ii</i> )	<b>2,660</b>	5,067
(Gain) loss on disposal of property, plant and equipment	<b>(66)</b>	1,740
Audit fees		
Paid to auditor of the Company	<b><u>602</u></b>	761
Paid to other auditors	<b><u>1,142</u></b>	2,056
Non-audit fees		
Paid to auditor of the Company	–	230
Paid to other auditors	<b>343</b>	739
Staff costs (excluding directors' emoluments) ( <i>Note ii</i> )	<b><u>69,077</u></b>	102,512
Net foreign exchange (gain) loss	<b>(59)</b>	14,580
Net loss on fair value changes of derivative financial instruments	–	682
Interest income from bank deposits	<b>(414)</b>	(1,223)
Interest expense on borrowings	<b>26,798</b>	52,248
Impairment losses (reversed) recognised under ECL model		
on trade receivables	<b>(7,813)</b>	9,000
Government grant	<b><u>(1,314)</u></b>	<b><u>(68)</u></b>

*Notes:*

- (i) During the nine months ended December 31, 2024, the amount included allowance for inventories amounting to HK\$26,111,000 (year ended March 31, 2024: HK\$83,389,000).
- (ii) During the nine months ended December 31, 2024, cost of defined contribution plans amounting to HK\$11,103,000 (year ended March 31, 2024: HK\$16,618,000) was included in staff costs and directors' emoluments.



## 6. PROPERTY, PLANT AND EQUIPMENT

During the nine months ended December 31, 2024, the Group acquired property, plant and equipment amounting to HK\$405,000 (year ended March 31, 2024: HK\$5,123,000). In addition, the Group disposed of certain property, plant and equipment with a carrying amount of HK\$378,000 (year ended March 31, 2024: HK\$2,478,000), resulting in a gain of HK\$66,000 (year ended March 31, 2024: loss of HK\$1,740,000).

## 7. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVTOCI”)

The amount of FVTOCI represents the unlisted equity interests in a company specialized in automotive electronics approximately RMB8 million (year ended March 31, 2024: nil).

## 8. TRADE RECEIVABLES

	December 31, 2024 HK\$'000	March 31, 2024 HK\$'000
Trade receivables	719,934	836,007
Less: allowance for credit losses	(11,486)	(19,499)
	<u>708,448</u>	<u>816,508</u>

The Group allows a credit period of 30 to 120 days (March 31, 2024: 30 to 120 days) to its trade customers generally.

The following is an aging analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date or bills receiving date at the end of the reporting periods:

	December 31, 2024 HK\$'000	March 31, 2024 HK\$'000
Within 60 days	397,901	470,443
61 to 90 days	119,801	115,617
Over 90 days	190,746	230,448
	<u>708,448</u>	<u>816,508</u>

As at December 31, 2024, included in the Group's net trade receivables balance are debtors with aggregate carrying amount of HK\$192,874,000 (March 31, 2024: HK\$229,202,000) which are past due as at the reporting date. No past due balances in both periods has been past due 90 days or more and is not considered as in default.

## **9. AMOUNTS DUE FROM RELATED COMPANIES**

	<b>December 31, 2024 HK\$'000</b>	<b>March 31, 2024 HK\$'000</b>
Trade balance ( <i>Note</i> )	<b>948</b>	<b>167</b>

Amounts due from related companies are trade-related, unsecured, interest-free and with a credit period of 30 days.

*Note:* Shanghai YCT (listed on ChiNext Board of the Shenzhen Stock Exchange) and its subsidiaries are defined as related companies.

## **10. TRANSFER OF FINANCIAL ASSETS**

As at December 31, 2024, the Group's trade receivables amounting to HK\$21,375,000 (March 31, 2024: HK\$102,391,000) were transferred to banks by discounting those trade receivables and bills receivables amounting to HK\$55,493,000 (March 31, 2024: HK\$60,443,000) on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as secured borrowings amounting to HK\$72,561,000 (March 31, 2024: HK\$142,481,000).

## **11. TRADE PAYABLES**

The following is an aging analysis of trade payables presented based on the invoice date or bills issuance date at the end of the reporting periods:

	<b>December 31, 2024 HK\$'000 (Unaudited)</b>	<b>March 31, 2024 HK\$'000 (Audited)</b>
Within 30 days	<b>274,729</b>	546,609
31 to 60 days	<b>48,267</b>	189,163
61 to 90 days	<b>2</b>	—
	<b>322,998</b>	<b>735,772</b>

## **12. LOANS FROM THE ULTIMATE HOLDING COMPANY**

On September 27, 2024, Shanghai YCT, the ultimate controlling shareholder of the Company, entered into a loan agreement (the “Loan”) with the Company together with the Company’s PRC subsidiaries to replenish the Group’s working capital and for repayment of the Group’s higher-interest-rate trust receipt loans. According to the Loan, Shanghai YCT would grant loans at the aggregating amount not more than Renminbi (“RMB”) 150,000,000 with effective interest rate at 6.8% per annum to the Company and the Company’s PRC subsidiaries. These loans are unsecured and repayable in one year. The provision of the Loan from Shanghai YCT to the Company constitutes a connected transaction of the Company under Chapter 14A of the HK Listing Rules. However, as the Loan is conducted on normal commercial terms or better and it is not secured by the assets of the Group, the Loan is fully exempted from the announcement, circular, independent financial advice and Shareholders’ approval requirements under pursuant to Rule 14A.90 of the HK Listing Rules.

As at December 31, 2024, the carrying amount of the loan from Shanghai YCT was HK\$163,180,000 (March 31, 2024: nil), including loan interest of HK\$1,193,000.

## **13. SHARE CAPITAL**

	Number of shares		Share capital	
	December	March	December	March
	31, 2024	31, 2024	31, 2024	31, 2024
	‘000	‘000	HK\$’000	HK\$’000
Ordinary shares of HK\$1.00 each				
<b>Authorised:</b>				
At beginning and at end of the period/year	<b>120,000</b>	120,000	<b>120,000</b>	120,000
<b>Issued and paid up</b>				
At beginning of the period/year	87,622	87,622	87,622	87,622
Exercise of share options	70	–	70	–
<b>At end of the period/year</b>	<b>87,692</b>	87,622	<b>87,692</b>	87,622

The Company has no treasury shares.

#### **14. SHARE-BASED PAYMENTS**

The Company had on July 30, 2013 adopted the Willas-Array Electronics Employee Share Option Scheme III (“ESOS III”) to grant share options to eligible employees, including the executive directors of the Company and its subsidiaries.

On December 2, 2020, the Company granted share options exercisable for 3,835,000 ordinary shares of HK\$1.00 each of the Company to certain eligible employees under ESOS III with an exercise price of HK\$2.61 per share. The period for the exercise of the share options will commence after the first anniversary of the date of grant and expire on the tenth anniversary of such date of grant. The total estimated fair value as at the date of grant was approximately HK\$2,817,000.

During the nine months ended December 31, 2024, share options holders under ESOS III exercised part of their share options and subscribed for 70,000 shares (year ended March 31, 2024: nil) of HK\$1.00 each of the Company at an exercise price of HK\$2.61 per share. The weighted average closing price of the Company’s shares immediately before the dates on which the options were exercised was HK\$3.18 per share.

The table below discloses movement of the Company’s share options granted under ESOS III:

	<b>Number of share options</b>
Outstanding share options for ordinary shares at April 1, 2023 (Audited)	1,867,000
Forfeited during the year	<u>(854,500)</u>
Outstanding share options for ordinary shares at April 1, 2024 (Audited)	1,012,500
Forfeited during the period	(595,500)
Exercised during the period	<u>(70,000)</u>
<b>Outstanding share options for ordinary shares at December 31, 2024</b>	<b><u><u>347,000</u></u></b>

#### **14. SHARE-BASED PAYMENTS – continued**

Fair values of the share options granted under ESOS III were calculated using the Binomial option pricing model. The inputs into the model were as follows:

	ESOS III December 2, 2020	ESOS III July 17, 2017 (Note)
Grant date		
Share price at valuation date	HK\$2.25	HK\$4.07
Exercise price	HK\$2.61	HK\$4.30
Expected volatility	35.49%	48.41%
Risk-free rate	0.59%	1.49%
Expected dividend yield	0.00%	7.62%
Expected life	10 years	10 years
Exercisable period	9 years	9 years
Vesting period	1 year	1 year
Fair value per share option	HK\$0.73	HK\$1.23

*Note:* During the prior years, upon the bonus issue of shares becoming effective on August 28, 2018, (i) the exercise price of the outstanding share options granted under ESOS III was adjusted to HK\$3.91 per share; and (ii) the respective numbers of underlying shares comprised in the outstanding share options under ESOS III of the Company have been adjusted accordingly.

During the nine months ended December 31, 2024 and the year ended March 31, 2024, no share-based payment expense was recognised in profit or loss.

#### **15. DIVIDEND**

No dividend was declared and paid during the nine months ended December 31, 2024 and the year ended March 31, 2024.

The Board does not recommend the payment of a final dividend for the nine months ended December 31, 2024.

## 16. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following:

	Group Figures			
	Nine months ended		Year ended	
	December 31, 2024		March 31, 2024	
	Basic HK\$'000	Diluted HK\$'000	Basic HK\$'000	Diluted HK\$'000
Loss attributable to owners of the Company	<u>(61,601)</u>	<u>(61,601)</u>	<u>(169,223)</u>	<u>(169,223)</u>
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares	87,685,940	87,685,940	87,622,049	87,622,049
Adjustment for dilutive potential ordinary shares	—	N/A	—	N/A
Weighted average number of ordinary shares used to compute loss per share	<u>87,685,940</u>	<u>87,685,940</u>	<u>87,622,049</u>	<u>87,622,049</u>
Loss per share (HK cents)	<u>(70.25)</u>	<u>(70.25)</u>	<u>(193.13)</u>	<u>(193.13)</u>

The computation of diluted loss per share for the nine months ended December 31, 2024 and the year ended March 31, 2024 did not assume the exercise of certain of share options granted by the Company since the exercise price of those share options was higher than the average market price of the shares for the period/year.

During the nine months ended December 31, 2024, and the year ended March 31, 2024, the Company reported a net loss in both periods. In accordance with IAS 33 Earnings Per Share, potential ordinary shares, including share options, are excluded from the diluted loss per share calculation when their effect is anti-dilutive. The Group had no potentially dilutive ordinary shares in issue for share options during the nine months ended December 31, 2024 and the year ended March 31, 2024 as they had an anti-dilutive effect on the basic loss per share amounts presented.

## 17. NET ASSET VALUE

The net asset value per ordinary share on each of the Group and Company level is shown below:

	Group Figures		Company Figures	
	December 31, 2024	March 31, 2024	December 31, 2024	March 31, 2024
Net asset value per ordinary share based on the number of issued shares of the Company at the end of the period/year (HK cents)	<u>476.98</u>	<u>573.47</u>	<u>459.02</u>	<u>452.45</u>

The net asset backing per ordinary share as at December 31, 2024 was based on a total of 87,692,049 (March 31, 2024: 87,622,049) issued ordinary shares.

**18. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY***As at December 31, 2024*

	<b>December 31, 2024 HK\$'000</b>	March 31, 2024 HK\$'000
<b>Non-current assets</b>		
Amount due from a subsidiary	<b>33,814</b>	33,814
Interests in subsidiaries	<b>179,478</b>	177,255
Total non-current assets	<b>213,292</b>	211,069
<b>Current assets</b>		
Amounts due from subsidiaries	<b>197,917</b>	197,391
Deposits and prepayments	<b>145</b>	167
Income tax recoverable	<b>–</b>	247
Cash and cash equivalents	<b>672</b>	261
Total current assets	<b>198,734</b>	198,066
<b>Total assets</b>	<b>412,026</b>	409,135
<b>Current liabilities</b>		
Amount due to a subsidiary	<b>4,738</b>	5,013
Other payables	<b>1,992</b>	951
Income tax payable	<b>550</b>	–
Financial guarantee liabilities	<b>2,223</b>	6,723
Total current liabilities	<b>9,503</b>	12,687
<b>Net current assets</b>	<b>189,231</b>	185,379
<b>Total assets less current liabilities</b>	<b>402,523</b>	396,448
<b>Capital and reserves</b>		
Share capital	<b>87,692</b>	87,622
Reserves	<b>314,831</b>	308,826
<b>Equity attributable to owners of the Company</b>	<b>402,523</b>	396,448
<b>Total liabilities and equity</b>	<b>412,026</b>	409,135

**19. INFORMATION ABOUT THE STATEMENT OF CHANGES IN EQUITY OF THE COMPANY***For the nine months ended December 31, 2024*

	<b>Share capital</b>	<b>Capital reserves</b>	<b>Accumulated profits</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At April 1, 2023	87,622	199,780	100,722	388,124
Profit for the year, representing total comprehensive income for the year	–	–	8,324	8,324
Transactions with owners, recognised directly in equity:				
Share options forfeited	–	(752)	752	–
Total	–	(752)	752	–
At March 31, 2024	87,622	199,028	109,798	396,448
Profit for the period, representing total comprehensive income for the period	–	–	5,892	5,892
Transactions with owners, recognised directly in equity:				
Exercise of share options	70	113	–	183
Share options forfeited	–	(503)	503	–
Total	70	(390)	503	183
<b>At December 31, 2024</b>	<b>87,692</b>	<b>198,638</b>	<b>116,193</b>	<b>402,523</b>



## MATERIAL DIFFERENCES BETWEEN 2024 AUDITED FINAL RESULTS AND 2024 UNAUDITED FINAL RESULTS ANNOUNCEMENT

Since the financial information contained in the 2024 Unaudited Final Results Announcement was not audited by the Group's auditor as at the date of its publication and subsequent adjustments have been made to such information upon completion of the auditing process, shareholders and potential investors of the Company are advised to pay attention to the following differences between the financial information of the audited final results of the Group for the nine months ended December 31, 2024 disclosed in this announcement and that disclosed in the 2024 Unaudited Final Results Announcement. Set forth below are details and reasons for the material differences in such financial information in accordance with Rule 13.49(3)(ii)(b) of the HK Listing Rules:

Items for the nine months ended December 31, 2024	Disclosure in this audited final results announcement HK\$'000	Disclosure in the 2024 Unaudited Final Results Announcement HK\$'000	Difference HK\$'000	Notes
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
Cost of sales	(1,760,564)	(1,756,215)	(4,349)	1
Distribution costs	(14,137)	(18,286)	4,149	1
Administrative expenses	(106,485)	(111,230)	4,745	2
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Inventories	417,928	415,864	2,064	1
Other receivables, deposits and prepayments	8,367	10,632	(2,265)	1
Other payables	31,861	36,536	(4,675)	2
CONSOLIDATED STATEMENT OF CASH FLOWS				
Decrease (increase) in trade receivables	25,797	103,316	(77,519)	3
Repayments of bank borrowings	(794,914)	(1,084,977)	290,063	3
Proceeds from bank borrowings	898,474	1,110,713	(212,239)	3

Notes:

- The increase in cost of sales mainly due to: (i) reclassified from previously recognised as distribution costs of approximately HK\$4.1 million; (ii) increase of approximately HK\$2.3 million by adjusting supplier commission due to subsequent verification of customer claims which was previously offset against costs of sales in supplier's commission; (iii) HK\$2.1 million offset against deduction of allowance for inventories upon subsequent review on net realizable value of inventories.
- The decrease in administrative expenses mainly due to the overprovided staff cost for the nine months ended December 31, 2024.
- The changes in cash flows mainly due to classification adjustments of discounted bills in trade receivables and bank borrowings.

Save as disclosed in this announcement and the corresponding adjustments related to the above material differences, there is no material change in other information contained in the 2024 Unaudited Final Results Announcement. As a result of the above adjustments, the Board would like to clarify that other minor amendments are underlined in this announcement:

The audited consolidated financial statements of the Group for the nine months ended December 31, 2024 have been reviewed by the Audit Committee of the Company and were approved by the Board on May 21, 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

For the nine months ended December 31, 2024, the Group recorded a loss attributable to owners of the Company of HK\$61.6 million, compared to the net attributable loss of HK\$169.2 million posted in the preceding financial year ended March 31, 2024 (the “Preceding Financial Year”).

The decrease in net loss was mainly attributed to: (i) a decrease in exchange loss arising from the depreciation of the Renminbi against Hong Kong dollars in the nine months ended December 31, 2024 as compared to the Preceding Financial Year where there was significant exchange difference; (ii) net impairment losses reversed under expected credit loss on trade receivables in the nine months ended December 31, 2024 as compared to the Preceding Financial Year when there was recognition of impairment losses; (iii) a decrease in finance costs mainly due to lower weighted average effective interest rate in the nine months ended December 31, 2024 as compared to the Preceding Financial Year and (iv) a decrease in staff costs in the nine months ended December 31, 2024 due to the Group’s proactive review and streamlining of its cost structure, aimed at achieving better capital efficiency across its operations.

To mitigate operational risks associated with obsolete inventory, the Group implemented proactive inventories reduction initiatives. The impairment of inventories decreased significantly to HK\$26.1 million in the nine months ended December 31, 2024, compared to HK\$83.4 million in the Preceding Financial Year. This strategic destocking effort accelerated cash recovery and enhanced liquidity management, thereby contributing to further improvement in the Group’s operating performance.

Excluding the impairment of inventories of HK\$26.1 million, net impairment losses reversed under expected credit loss model of HK\$7.8 million, the adjusted loss attributable to owners of the Company would have been HK\$43.3 million in the nine months ended December 31, 2024.

### Revenue

The Group’s revenue decreased by 31.4% to HK\$1,828.9 million as all the Group’s segments reported weaker sales in the nine months ended December 31, 2024, as compared to revenue of HK\$2,664.9 million in the Preceding Financial Year.

## Revenue by Market Segment Analysis

	Nine months ended December 31, 2024		Year ended March 31, 2024		Increase/(Decrease)	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Industrial	<u>493,298</u>	<u>27.0%</u>	595,831	22.4%	(102,533)	-17.2%
Automotive	<u>490,870</u>	<u>26.8%</u>	797,361	29.9%	(306,491)	-38.4%
Home Appliance	<u>318,176</u>	<u>17.4%</u>	444,031	16.7%	(125,855)	-28.3%
Electronic Manufacturing Services ("EMS")	<u>151,664</u>	<u>8.3%</u>	236,024	8.8%	(84,360)	-35.7%
Dealer	<u>136,178</u>	<u>7.4%</u>	182,734	6.8%	(46,556)	-25.5%
Audio and Video	<u>112,758</u>	<u>6.2%</u>	157,594	5.9%	(44,836)	-28.5%
Telecommunications	<u>79,187</u>	<u>4.3%</u>	170,395	6.4%	(91,208)	-53.5%
Lighting	<u>30,174</u>	<u>1.6%</u>	55,171	2.1%	(24,997)	-45.3%
Others	<u>16,595</u>	<u>1.0%</u>	25,742	1.0%	(9,147)	-35.5%
	<u><u>1,828,900</u></u>	<u><u>100.0%</u></u>	<u><u>2,664,883</u></u>	<u><u>100.0%</u></u>	<u><u>(835,983)</u></u>	-31.4%

### *Industrial*

Revenue from the Industrial segment declined 17.2% to HK\$493.3 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. Although the segment was affected by a decline in exports and domestic demand in PRC, the Group is confident of this segment's potential which will continue to benefit from the development of PRC, in particular the industrialisation of city infrastructure, energy saving initiative and factory automation. The Group will closely monitor changes in market situation and to seize opportunities.

### *Automotive*

The Automotive contributing sales of HK\$490.9 million in the nine months ended December 31, 2024. Although this was a 38.4% decrease in revenue as compared to the Preceding Financial Year, the Group remain optimistic that in the long term this segment is worthy of investment. With the global push towards net zero carbon emission, the growing international demand for new energy vehicles with smart vehicle-road-cloud integrated systems and trend of autonomous driving, the potential of this segment remains strong. It continues to enjoy ongoing support from the PRC Government for the development of new energy vehicles.

### ***Home Appliance***

Revenue from the Home Appliance segment declined 28.3% to HK\$318.2 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. Demand for this segment was affected by weak global consumer electronics market which affected export sales, as well as slower domestic demand for home appliances. Domestically, demand for home appliances was affected by the cooling measures implemented in PRC's real estate market. The Group will monitor the situation closely and maintained a reasonable inventory level.

### ***EMS***

The EMS segment recorded a decline in revenue of 35.7% to HK\$151.7 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. The decline was mainly due to the continued trade tensions that have weakened the export market.

### ***Dealer***

The Dealer segment recorded a decline in revenue of 25.5% to HK\$136.2 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. The segment's revenue contribution was affected by similar constraints faced by other segments, primarily due to weak exports and domestic demand for consumer electronics.

### ***Audio and Video***

Revenue from the Audio and Video segment declined 28.5% to HK\$112.8 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. Given the current high interest rate environment, demand for consumer electronics is expected to remain weak. The Group will carefully monitor this segment to ensure that inventory levels are healthy.

### ***Telecommunications***

Revenue from the Telecommunication segment declined 53.5% to HK\$79.2 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. The decline was mainly due to weak consumer demand for mobile phones, which affected overall demand for smartphone components. The Group will closely monitor the performance of this segment and the change in the mobile phone market.

### ***Lighting***

Revenue from the lighting segment declined 45.3% to HK\$30.2 million as compared to the Preceding Financial Year. The performance of the segment reflected the weak demand in the consumer and commercial lighting markets.

## ***Others***

Revenue from the Others segment declined 35.5% to HK\$16.6 million in the nine months ended December 31, 2024 as compared to the Preceding Financial Year. The decline was mainly due to weak consumer confidence and spending. However, the growing integration of Artificial Intelligence (“AI”) across more devices is expected to boost the demand for electronic components. The Group has allocated more resources to support this trend.

## **Gross Profit Margin**

The Group’s gross profit margin slightly decreased to 3.7% in the nine months ended December 31, 2024 from 3.8% in the Preceding Financial Year. The Group’s profit margin maintained at a similar level as the Preceding Financial Year. The Group’s profit margin remained stable, demonstrating effective cost control and overall financial stability despite this slight dip in gross profit margin.

## **Other Income**

Other income increased by HK\$0.8 million to HK\$3.0 million in the nine months ended December 31, 2024 from HK\$2.2 million in the Preceding Financial Year, mainly due to the non-recurring subsidy of approximately HK\$1.3 million tax refund from the Chinese government.

## **Distribution Costs**

Distribution costs decreased by HK\$8.5 million in the nine months ended December 31, 2024 to HK\$14.1 million in the nine months ended December 31, 2024 from HK\$22.6 million in the Preceding Financial Year. The decrease was mainly due to the cost control and monitoring measures implemented by the Group.

## **Administrative Expenses**

Administrative expenses decreased by HK\$65.1 million or 37.9% to HK\$106.5 million in the nine months ended December 31, 2024 from HK\$171.6 million in the Preceding Financial Year. This was mainly due to the Group’s proactive review and streamlining of its cost structure, aimed at achieving better capital efficiency across its operations.

## **Other Gains and Losses**

Other gains of HK\$0.1 million were incurred in the nine months ended December 31, 2024 (year ended March 31, 2024: HK\$17.3 million). RMB maintained relative stability against the US dollar (“USD”) during the nine months ended December 31, 2024, while experiencing moderated fluctuations against the Hong Kong dollar (“HKD”) as compared to the Preceding Financial Year.

## **Impairment Losses Reversed (Recognised) Under Expected Credit Loss Model, Net**

There was a reversal of net impairment losses of HK\$7.8 million in the nine months ended December 31, 2024 (year ended March 31, 2024: recognition of impairment losses of HK\$7.8 million), which was mainly represented the reversal of impairment losses on trade receivables in the Preceding Financial Year due to collection from credit impaired trade receivables which has been fully provided for in the prior year.

## **Finance Costs**

Finance costs, which comprises interest expenses on trust receipt loans and bank borrowings, interest on lease liabilities and interest on loans from the ultimate holding company, decreased by HK\$25.7 million or 48.8% to HK\$26.9 million in the nine months ended December 31, 2024 from HK\$52.6 million in the Preceding Financial Year. The decrease in interest expenses was mainly due to the decrease in the weighted average effective interest rate.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Financial Position**

Trust receipt loans decreased by HK\$128.2 million to HK\$140.0 million as at December 31, 2024, from HK\$268.2 million as at March 31, 2024. The decrease was mainly due to the group's strategic refinancing of debt, whereby higher-interest-rate trust receipt facilities were replaced with lower-cost bank loans.

Trade payables decreased to HK\$323.0 million as at December 31, 2024, from HK\$735.8 million as at March 31, 2024. The decrease was due to the higher repayment to suppliers towards the end of the financial period under review as compared to the Preceding Financial Year.

Trade receivables decreased by HK\$108.1 million to HK\$708.4 million as at December 31, 2024, from HK\$816.5 million as at March 31, 2024. The Group generally allows an average credit period of 30 to 120 days to its trade customers. The debtor turnover days slightly decreased to 3.6 months from 3.7 months as at March 31, 2024, reflecting consistent credit management practices and aligned customer payment behaviours under the group's tightened collection policies.

As at December 31, 2024, the Group's current ratio (current assets divided by current liabilities) was 1.20 (March 31, 2024: 1.20).

### **Inventories**

Inventories decreased to HK\$417.9 million as at December 31, 2024, from HK\$707.7 million as at March 31, 2024. The inventory turnover days decreased to 2.2 months as at December 31, 2024, from 3.4 months as at March 31, 2024. The significant reduction in inventory value was primarily driven by the Group's proactive inventory clearance initiatives, which included targeted promotional campaigns and accelerated liquidation of slow-moving stock.

## Cash Flow

As at December 31, 2024, the Group had a working capital of HK\$200.6 million which included a cash balance of HK\$41.4 million, compared to a working capital of HK\$268.5 million which included a cash balance of HK\$68.9 million as at March 31, 2024. The decrease in cash by HK\$27.5 million was primarily attributable to the net effect of cash outflow of HK\$163.1 million used in operating activities and cash inflow of HK\$139.4 million generated from financing activities. The Group's cash balance was mainly denominated in USD, RMB and HKD.

Cash outflow used in operating activities was mainly due to the net effect of the decrease in trade payables, inventories and trade receivables.

Cash inflow generated from financing activities was mainly attributable to proceeds from the loans from ultimate holding company during the period under review.

## Borrowings and Banking Facilities

As at December 31, 2024, the Group had bank borrowings of HK\$316.9 million, which were repayable within one year. Among the Group's bank borrowings, 84.2% was denominated in RMB, 15.6% was denominated in USD and the remainder was denominated in HKD. As at December 31, 2024, the fixed-rate bank borrowings and the variable-rate bank borrowings accounted for 99.8% and 0.2%, respectively. The fixed-rate bank borrowings bore interest at a weighted average effective rate of 3.78% per annum, while variable-rate bank borrowings bore interest at a weighted average effective rate of 5.62% per annum.

As at December 31, 2024, trust receipt loans of HK\$140.0 million were unsecured and repayable within one year and bore interest at a weighted average effective rate of 6.95% per annum. 100% of the trust receipt loans was denominated in USD. As at December 31, 2024, the Group had unutilised banking facilities of HK\$314.6 million (March 31, 2024: HK\$489.6 million).

The aggregate amount of the Group's borrowings and debt securities was as follows:

### Amount repayable in one year or less, or on demand

As at December 31, 2024		As at March 31, 2024	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
279,917	177,032	489,548	75,908



### Amount repayable after one year

As at December 31, 2024		As at March 31, 2024	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
—	—	—	—

As at December 31, 2024, the Group's trade receivables amounting to HK\$21.4 million (March 31, 2024: HK\$102.4 million) were transferred to banks by discounting those trade receivables and bills receivables amounting to HK\$55.5 million (March 31, 2024: HK\$60.4 million) on a full recourse basis. As the Group had not transferred the significant risks and rewards relating to these receivables, it had continued to recognise the full carrying amount of the receivables and had recognised the cash received on the transfer as secured borrowings amounting to HK\$72.6 million (March 31, 2024: HK\$142.5 million).

As at December 31, 2024, the Group's remaining secured bank borrowings amounting to HK\$67.3 million (March 31, 2024: HK\$78.8 million) had been secured by the pledge of certain bills receivables held by the Group amounting to HK\$10.7 million (March 31, 2024: HK\$13.1 million).

### Foreign Exchange Risk Management

The Group operates in Hong Kong, the PRC and Taiwan. It incurred foreign currency risk mainly on sales and purchases that were denominated in currencies other than its functional currencies. Sales are mainly denominated in USD, RMB and HKD whereas purchases are mainly denominated in USD, Japanese yen ("JPY"), RMB and HKD. Therefore, the exposure in foreign exchange rate risks mainly arises from fluctuations in foreign currencies against the functional currencies. Given the pegged foreign exchange rate between HKD and USD, the exposure of entities that use HKD as their respective functional currencies to the fluctuations in USD is minimal. However, foreign exchange rate fluctuations between RMB and USD, RMB and JPY, HKD and JPY, or Taiwan dollars and USD could affect the Group's performance and asset value. The Group has a foreign currency hedging policy to monitor and maintain its foreign exchange exposure at an acceptable level.

### Net Gearing Ratio

As at December 31, 2024, the Group's net gearing ratio was 139.9% (March 31, 2024: 99.5%). The net gearing ratio was derived by dividing net debts (representing interest-bearing bank borrowings, trust receipt loans, loans from the ultimate holding company and bills payables minus cash and cash equivalents) by shareholders' equity at the end of a given period and multiplied by 100%. The increase was mainly due to increase in loans from the ultimate holding company, decreases in cash and cash equivalents and shareholders' equity (resulting from the loss in respect of the nine months ended December 31, 2024).



## **STRATEGY AND PROSPECTS**

In the current complicated economic and trade environment in the globe, geopolitical risks continue to rise, promoting local customers and suppliers to accelerate their strategic presence in emerging markets including Southeast Asia. Against this backdrop, the Group will actively build itself as a platform for local suppliers and customers to expand their presence overseas. By integrating regional supply chains and coordinating resources, we will help partners to mitigate geopolitical risks and seize growth opportunities in regional markets.

The Group strives to become the preferred platform for small and medium-sized suppliers, by continuously introducing quality suppliers to further diversify the supply-side ecosystem of our products and services. Leveraging our established platform service capability and local advantages, we will customize cooperation plans and promote business penetration for core customers to strengthen long-term strategic partnerships with them and increase our market share in their business segments gradually.

In order to build differentiated competitiveness, the Group will focus on high-growth segments such as automotive electronics, AI and low-altitude economy, with an aim of becoming a leading enterprise in such segments.

Looking ahead, the Group will further strengthen the expansion and development of new customers. Leveraging on its advantages in niche segments, a robust supplier platform and market resources accumulated in Southeast Asia and other regions, the Group will continue to expand customer coverage. By enhancing market influence and business resilience, the Group is committed to achieving a sustainable growth and turning challenges into opportunities in the dynamic market environment, thus creating values for its shareholders and partners in the long term.

## **IMPORTANT EVENTS AFFECTING THE GROUP AFTER THE END OF THE REPORTING PERIOD**

Reference is made to the Company's announcement dated February 10, 2025, in which the Company entered into the 2025 Master Supply Framework Agreement with Shanghai YCT, pursuant to which the Company agreed, for and on behalf of the Group, to supply, and Shanghai YCT agreed, for and on behalf of the Shanghai YCT Group, to purchase certain semi-conductor electronic component products from time to time from the date of the conclusion of the special general meeting of the Company ("SGM") to December 31, 2027. On February 10, 2025, the Company also entered into the 2025 Master Purchase Framework Agreement with Shanghai YCT, pursuant to which the Company agreed, for and on behalf of the Group, to purchase, and Shanghai YCT agreed, for and on behalf of the Shanghai YCT Group, to sell certain semi-conductor electronic component products from time to time from the date of the conclusion of the SGM to December 31, 2027. The transactions contemplated under the 2025 Master Supply Framework Agreement and the 2025 Master Purchase Framework Agreement (the "Continuing Connected Transactions") are subject to the reporting, annual review, announcement, and independent shareholder approval requirements under Chapter 14A of the Rules Governing the Listing of Securities on the SEHK. The Company intends to seek approval from shareholders for the adoption of a general mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST (the "Proposed IPT General Mandate") for the Continuing Connected Transactions.

Pursuant to the announcements of the Company dated February 10, 2025 and March 10, 2025, the Company intended to undertake a change of its auditors from Deloitte & Touche LLP to Ernst & Young LLP (the "Proposed Change of Auditors"). Pursuant to Rule 712(3) of the Listing Manual of the SGX-ST, the Proposed Change of Auditors was specifically approved by Shareholders in a general meeting on April 8, 2025.

Save as disclosed above, there were no other important events affecting the Group that have occurred after the end of the reporting period.

## **DIVIDEND AND ANNUAL GENERAL MEETING**

The Board does not recommend the payment of a final dividend for the nine months ended December 31, 2024 (year ended March 31, 2024: nil). No dividend has been declared for the nine months ended December 31, 2024 as the Group intends to retain cash for its business operations and future growth.

The forthcoming annual general meeting of the Company (the “2025 AGM”) will be held on or around June 27, 2025 at 9:30 a.m.

## **CLOSURE OF REGISTER OF MEMBERS**

### **For determining the entitlement to attend and vote at the 2025 AGM**

For the purpose of determining the entitlement of the Shareholders to attend and vote at the 2025 AGM, for Hong Kong Shareholders, the Hong Kong branch Register of Members (the “Hong Kong Branch Register”) will be closed from Tuesday, June 24, 2025 to Friday, June 27, 2025, both days inclusive. During this period, no transfer of the issued shares of the Company (the “Shares”) will be registered. In order to qualify for attending and voting at the 2025 AGM, the non-registered Hong Kong Shareholders must lodge all duly completed and stamped transfer documents accompanied by the relevant share certificates for registration with the Company’s Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Monday, June 23, 2025.

For Singapore Shareholders, the share transfer books and Singapore branch Register of Members (the “Singapore Branch Register”) will be closed at 5:00 p.m. on Monday, June 23, 2025. Duly completed registrable transfers of Shares received by the Company’s share transfer agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower, #14-03/07, Singapore 098632, up to and including 5:00 p.m. on Monday, June 23, 2025 will be registered to determine Singapore Shareholders’ entitlements to attend and vote at the 2025 AGM.

Any transfer of the Shares between the Hong Kong Branch Register and the Singapore Branch Register by way of deregistration from one branch Register of Members and registration on the other branch Register of Members has to be made not later than 4:30 p.m. on Monday, June 16, 2025 for Hong Kong Shareholders and not later than 5:00 p.m. on Monday, June 16, 2025 for Singapore Shareholders.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at December 31, 2024, the Group had a workforce of 312 (March 31, 2024: 325) full-time employees, of which 19.23% worked in Hong Kong, 76.28% in the PRC and the remainder in Taiwan.

The Group actively pursues a strategy of recruiting, retaining and developing talented employees by (i) providing them with regular training programmes to ensure that they are kept abreast of the latest information pertaining to the products distributed by the Group, technological developments and market conditions of the electronics industry; (ii) aligning employees' compensation and incentives or bonus with their performance; and (iii) providing them with a clear career path with opportunities for taking on additional responsibilities and securing promotions. Besides, the Company has adopted an employee share option scheme to reward the directors of the Company (the "Directors") and the eligible employees for their contribution to the Group.

While the Group's employees in Hong Kong and Taiwan are required to participate in the mandatory provident fund scheme and a defined contribution pension scheme, respectively, the Group makes contributions to various government-sponsored employee-benefit funds, including social insurance fund, housing fund, basic pension insurance fund and unemployment, maternity and work-related insurance funds for its employees in the PRC in accordance with the applicable PRC laws and regulations.

Further, the remuneration committee of the Board (the "Remuneration Committee") reviews and recommends to the Board the remuneration and compensation packages of the Directors and senior management of the Group by reference to the salaries paid by comparable companies, their time commitment, responsibilities and performance as well as the financial results of the Group.

## **CONTINGENT LIABILITIES**

The Group did not have any contingent liabilities as at December 31, 2024 (March 31, 2024: nil).

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the nine months ended December 31, 2024, the Company did not redeem any of its securities listed on the Main Board of the SEHK and the SGX-ST nor did the Company or any of its subsidiaries purchase or sell any of such securities.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODES**

The Board and the Company's management are committed to maintaining high standards of corporate governance. The Board firmly believes that conducting the Group's business in a transparent and responsible manner and following good corporate governance practices serve its long-term interests and those of the Shareholders. The Board considers that during the nine months ended December 31, 2024, the Company had complied with all the code provisions set out in the Corporate Governance Code as contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the SEHK (the "HK Listing Rules" and the "HK CG Code", respectively) and the Code of Corporate Governance 2018 of Singapore (the "Singapore CG Code").

In the event of any conflict among the HK CG Code, the Singapore CG Code and the bye-laws of the Company, the Company will comply with the most onerous provisions. As such, the Board considers that sufficient measures are in place to ensure the adequateness of the Company's corporate governance practices relating to, amongst others, the appointment, retirement and re-election of Directors (including independent non-executive Directors (the "INEDs")).

## **COMPLIANCE WITH HONG KONG MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the HK Listing Rules (the "HK Model Code") as its own code of conduct for dealing in the securities of the Company by the Directors. Following a specific enquiry made by the Company with each of the current Directors, all of them confirmed that they had complied with the required standards as set out in the HK Model Code throughout the nine months ended December 31, 2024.

## **REVIEW BY AUDIT COMMITTEE**

The Board has established the audit committee of the Board (the "Audit Committee") with written terms of reference in compliance with the HK CG Code, the HK Listing Rules, the Singapore CG Code and the Main Board rules of the listing manual of the SGX-ST. The Audit Committee currently comprises all of the four INEDs, namely Lau Chin Huat (committee chairman), Chong Eng Wee, Tso Sze Wai and Jiang Maolin. The Audit Committee has reviewed and discussed with the management the auditing, internal control, risk management, financial reporting matters and sustainability reporting process of the Group. The Group's audited final results and the Company's draft annual report for the nine months ended December 31, 2024 have been reviewed by the Audit Committee.

## **AUDIT OF THE FINANCIAL RESULTS**

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as at and for the nine months ended December 31, 2024 have been audited by the Company's independent auditor, Ernst & Young LLP and the independent auditor's report is attached as Appendix to this announcement.

## **PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED (THE "HKEX"), THE COMPANY AND THE SGX-ST**

This results announcement is published on the website of the HKEX at [www.hkexnews.hk](http://www.hkexnews.hk), the website of the Company at [www.willas-array.com.cn](http://www.willas-array.com.cn) and the website of the SGX-ST at [www.sgx.com](http://www.sgx.com). The annual report of the Company for the nine months ended December 31, 2024 (containing the Company's sustainability report) and the notice of the 2025 AGM will be despatched to the Shareholders and published on the respective websites of the HKEX, the Company and the SGX-ST in due course.

## **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on September 30, 2024 and will continue to be suspended pending the fulfilment of the Resumption Guidance and the grant of approval of the Stock Exchange for the resumption of trading of the Shares. The Company will keep the Shareholders and potential investors informed of the latest progress as and when appropriate as well as announce quarterly update on its development pursuant to Rule 13.24A of the HK Listing Rules.

Holders of the Company's securities and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

## SUPPLEMENTARY INFORMATION

1. *Where a forecast, or a prospect statement, has been previously disclosed to Shareholders, is there any variance between it and the actual results*

Save as disclosed in this announcement and the corresponding adjustments related to the above material differences, there is no material change in other information contained in the 2024 Unaudited Final Results Announcement dated March 28, 2025.

2. *If the Group has obtained a general mandate from Shareholders for interest person transactions (the “IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Listing Manual of the SGX-ST. If no IPT mandate has been obtained, a statement to that effect*

No general mandate has been obtained from the Shareholders for IPTs.

3. *A breakdown of sales*

	Group		
	Nine months ended December 31, 2024 HK\$'000	Year ended March 31, 2024 HK\$'000	Increase (Decrease) %
(a) Sales reported for first half year	1,189,829	1,359,457	–12.5%
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(62,160)	(95,264)	–34.7%
(c) Sales reported for second half year	639,071	1,305,426	–51.0%
(d) Operating profit (loss) after tax before deducting non-controlling interests reported for second half year	558	(74,033)	NM

4. *A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year*

	Total Annual Dividend	
	Latest Full Year HK\$'000	Previous Full Year HK\$'000
(a) Ordinary	—	—
(b) Preference	—	—
Total:	—	—

5. *Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual of the SGX-ST in the format below. If there are no such persons, the issuer must make an appropriate negative statement*

Pursuant to Rule 704(13) of the listing manual of the SGX-ST, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

6. *Undertakings from the Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual of the SGX-ST*

On behalf of the Board, we confirm that we have procured all the required undertakings to comply with the listing manual of the SGX-ST from all the directors and executive officers of the Company.

By Order of the Board  
**Willas-Array Electronics (Holdings) Limited**  
**Xie Lishu**  
*Chairman and Executive Director*

Hong Kong/Singapore, May 21, 2025

*As at the date of this announcement, the Board comprises two executive Directors, namely Xie Lishu (Chairman) and Fan Qinsheng; one non-executive Director, Huang Shaoli; and four Independent non-executive Directors, namely Chong Eng Wee (Lead Independent Director), Lau Chin Huat, Tso Sze Wai and Jiang Maolin.*

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



## **Appendix**

The independent auditor's report on the full financial statements of Willas-Array Electronics (Holdings) Limited for the financial period ended December 31, 2024 is as follows;

### **Independent auditor's report To the shareholders of Willas-Array Electronics (Holdings) Limited**

#### **Opinion**

We have audited the consolidated financial statements of Willas-Array Electronics (Holdings) Limited (the "Company") and its subsidiaries (the "Group") set out on pages [•••] to [•••], which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine months ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the nine months ended December 31, 2024 in accordance with IFRS Accounting Standards, issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (the "ISAs") as issued by the International Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the "ACRA Code") in Singapore, and we have fulfilled our other ethical responsibilities in accordance with the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other matter**

The consolidated financial statements of the Group for the year ended March 31, 2024 were audited by another firm of auditors who expressed an unmodified opinion on those statements on June 21, 2024.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<b><i>Impairment assessment of trade receivables</i></b>	
We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") of the Group's trade receivables at the end of the reporting period.	Our audit procedures in relation to impairment assessment of trade receivables included but not limited to:
As at December 31, 2024, the Group's net trade receivables amounting to HK\$708,448,000, which represented approximately 50% of total assets of the Group and trade receivables amounting to HK\$192,874,000 were past due as disclosed in Note 25 to the consolidated financial statements.	<ul style="list-style-type: none"><li>Understanding processes and key controls in relation to monitoring of trade receivables, including the process in determining whether a debtor is credit-impaired;</li><li>Reviewing trade receivables aging analysis and past due status to identify potential collectible issues and testing, on a sample basis, the data and inputs used to develop the aging analysis to the underlying supporting documents;</li></ul>

**Key audit matter****How our audit addressed the key audit matter*****Impairment assessment of trade receivables****– continued*

As disclosed in Note 44 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables that are not credit-impaired based on loss rate approach through grouping of various debtors after considering internal credit ratings of trade debtors, aging and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. In addition, trade receivables that are credit-impaired are assessed for ECL individually. The loss allowance amount of the credit-impaired trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses as at December 31, 2024.

As disclosed in Note 44 to the consolidated financial statements, the Group's lifetime ECL on trade receivables as at December 31, 2024 amounted to HK\$11,486,000.

- Assessing the appropriateness of management's basis and judgement used in identification and grouping of trade receivables into different categories of credit ratings and segregation of trade receivables into those that are credit-impaired and those that are not. This includes testing, on a sample basis, the data used by management to determine the debtor's credit rating to the relevant supporting documents;
- Testing the reasonableness of the estimated loss rates by evaluating management's assumptions and inputs used in the computation of historical credit loss rates and reviewed data and information that management has used to make forward-looking adjustments such as economic data and external information;
- Assessing management's assumptions used to determine impairment loss for credit impaired trade receivables through consideration of debtor's specific profiles and risk;
- Testing on a sample basis, subsequent receipts of settlement after the end of the reporting period; and
- Assessing the appropriateness of disclosures regarding the impairment assessment of trade receivables in Note 25 and 44 to the consolidated financial statements.

**Key audit matter****How our audit addressed the key audit matter*****Determination of net realisable value for inventories***

We identified the determination of net realisable value for inventories as a key audit matter as the Group operates in a fast evolving industry where inventories comprise of electronic components which are subject to rapid technological changes and price changes. As such, significant management estimates and judgements are involved in determining the net realisable value for inventories.

The Group makes allowance for inventories based on an assessment of the net realisable value of inventories. Allowances are applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than cost.

The management of the Group reviewed the inventory aging report at the end of the reporting period to identify inventories that are slow-moving or obsolete and estimated the net realisable value for those items based on latest selling price.

As disclosed in Note 24 to the consolidated financial statements, as at December 31, 2024, the carrying amount of the Group's inventories was HK\$417,928,000, net of allowance for inventories of HK\$114,353,000.

Our audit procedures in relation to the determination of net realisable value for inventories included but not limited to:

- Understanding and evaluating management's basis for the identification of slow-moving or obsolete inventories, and their assessment of net realisable value and allowance for inventories after taking into account latest sales made, including those sales made after the end of the reporting period, if any;
- Testing the accuracy of the inventories aging report to the underlying supporting documents;
- Testing the net realisable values of inventories, on a sample basis to the latest sales margin report. This includes identification of inventories that are selling at loss and assessing whether the allowance was properly provided for such inventories; and
- Assessing the appropriateness of disclosures regarding the determination of net realisable value for inventories in Note 24 to the consolidated financial statements.

**Other information**

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors for the consolidated financial statements**

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by audit committee (the "Audit Committee") in discharging the directors' responsibilities for overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Low Bek Teng.

**Ernst & Young LLP**  
*Public Accountants and*  
*Chartered Accountants*  
Singapore  
21 May 2025