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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)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**FINANCIAL HIGHLIGHTS**

	<b>Year ended December 31, 2025 HK\$'000</b>	<b>Nine months ended December 31, 2024 HK\$'000</b>	<b>Change %</b>
Revenue	<b>2,358,253</b>	1,828,900	<b>28.9</b>
Gross profit	<b>218,518</b>	68,336	<b>NM</b>
Profit (loss) before tax	<b>42,784</b>	(68,495)	<b>NM</b>
Profit (loss) to owners of the Company	<b>50,958</b>	(61,601)	<b>NM</b>
Basic earnings (loss) per share (HK cents)	<b>53.78</b>	(70.25)	<b>NM</b>
NM – Not Meaningful			

## AUDITED FINANCIAL RESULTS

The board of directors of Willas-Array Electronics (Holdings) Limited (the “Company” and the “Board”, respectively) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “Group”, “We” or “Our”) for the year ended December 31, 2025, together with the comparative figures for the nine months ended December 31, 2024 as follows:

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

*For the year ended December 31, 2025*

		Year ended December 31, 2025	Nine months ended December 31, 2024	Change %
	NOTES	HK\$'000	HK\$'000	
Revenue	3	<b>2,358,253</b>	1,828,900	<b>28.9</b>
Cost of sales		<b>(2,139,735)</b>	(1,760,564)	<b>21.5</b>
Gross profit		<b>218,518</b>	68,336	<b>NM</b>
Other income		<b>7,700</b>	2,965	<b>159.7</b>
Distribution costs		<b>(18,727)</b>	(14,137)	<b>32.5</b>
Administrative expenses		<b>(138,464)</b>	(106,485)	<b>30.0</b>
Other gains and losses		<b>(2,677)</b>	125	<b>NM</b>
Impairment losses reversed under expected credit loss (“ECL”) model, net		<b>6,012</b>	7,813	<b>-23.1</b>
Loss on fair value change of investment property		<b>(1,691)</b>	(188)	<b>178.2</b>
Finance costs		<b>(27,887)</b>	(26,924)	<b>3.6</b>
Profit (Loss) before tax		<b>42,784</b>	(68,495)	<b>NM</b>
Income tax credit	4	<b>8,174</b>	6,893	<b>18.6</b>
Profit (Loss) for the year/period	5	<b>50,958</b>	(61,602)	<b>NM</b>

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

*For the year ended December 31, 2025*

	<i>NOTE</i>	<b>Year ended December 31, 2025 HK\$'000</b>	Nine months ended December 31, 2024 HK\$'000	<b>Change %</b>
Other comprehensive expense				
<i>Items that will not be reclassified to profit or loss:</i>				
– Loss on revaluation of owned properties		(12,024)	(22,392)	–46.3
– Income tax relating to loss recognised on revaluation of owned properties		2,638	4,258	–38.0
– Gain on changes in fair value of financial assets measured at fair value through other comprehensive income		221	–	NM
– Income tax relating to gain recognised on changes in fair value of financial assets measured at fair value through other comprehensive income		(55)	–	NM
		<u>(9,220)</u>	<u>(18,134)</u>	–49.2
<i>Item that may be reclassified subsequently to profit or loss:</i>				
– Exchange differences arising from translation of foreign operations		6,353	(4,750)	NM
Other comprehensive expense for the year/period		<u>(2,867)</u>	<u>(22,884)</u>	–87.5
Total comprehensive income (expense) for the year/period		<u><b>48,091</b></u>	<u>(84,486)</u>	NM
Profit (loss) attributable to:				
Owners of the Company		50,958	(61,601)	NM
Non-controlling interests		–	(1)	–100.0
		<u>50,958</u>	<u>(61,602)</u>	NM
Total comprehensive income (expense) attributable to:				
Owners of the Company		48,091	(84,489)	NM
Non-controlling interests		–	3	–100.0
		<u>48,091</u>	<u>(84,486)</u>	NM
Earnings (loss) per share				
– Basic (HK cents)	17	<u>53.78</u>	<u>(70.25)</u>	NM
– Diluted (HK cents)		<u>53.76</u>	<u>(70.25)</u>	NM

NM – Not Meaningful

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*Year ended December 31, 2025*

		Year ended December 31, 2025	Nine months ended December 31, 2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	6	150,651	205,783
Right-of-use assets		1,863	2,941
Investment property		43,583	10,043
Club debentures		2,001	2,001
Interest in an associate		–	–
Financial assets measured at fair value through other comprehensive income ("FVTOCI")	7	12,398	8,639
Long-term deposits		1,293	1,363
Deferred tax assets		–	2,281
		211,789	233,051
<b>Total non-current assets</b>			
<b>Current assets</b>			
Inventories		335,204	417,928
Trade receivables	8	691,791	708,448
Other receivables, deposits and prepayments		7,476	8,367
Amount due from related companies	9	1,192	948
Income tax recoverable		154	4,321
Cash and cash equivalents		111,993	41,412
		1,147,810	1,181,424
<b>Total current assets</b>			
		1,359,599	1,414,475
<b>Total assets</b>			

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued**

*Year ended December 31, 2025*

		<b>Year ended</b>	Nine months
		<b>December 31,</b>	ended
		<b>2025</b>	December 31,
		<b>HK\$'000</b>	2024
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Current liabilities</b>			
Trade payables	12	222,383	322,998
Other payables		35,176	31,861
Amount due to related companies	10	4,360	–
Contract liabilities		2,694	3,256
Income tax payable		73	550
Trust receipt loans		74,953	140,044
Bank borrowings		460,525	316,905
Lease liabilities		1,213	2,054
Loans from the ultimate holding company	13	49,601	163,180
		<u>850,978</u>	<u>980,848</u>
Total current liabilities			
		<u>850,978</u>	<u>980,848</u>
<b>Net current assets</b>		<u>296,832</u>	<u>200,576</u>
<b>Total assets less current liabilities</b>		<u>508,621</u>	<u>433,627</u>
<b>Capital, reserves and non-controlling interests</b>			
Share capital	14	102,989	87,692
Reserves		404,435	330,580
		<u>507,424</u>	<u>418,272</u>
Equity attributable to owners of the Company		507,424	418,272
Non-controlling interests		–	–
		<u>507,424</u>	<u>418,272</u>
Total equity			
		<u>507,424</u>	<u>418,272</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		570	14,517
Lease liabilities		627	838
		<u>1,197</u>	<u>15,355</u>
Total non-current liabilities			
		<u>1,197</u>	<u>15,355</u>
<b>Total liabilities and equity</b>		<u>1,359,599</u>	<u>1,414,475</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*Year ended December 31, 2025*

	Attributable to owners of the Company											
	Share capital	Capital reserves	Statutory reserve	Property revaluation reserve	Currency translation reserve	Financial assets			Accumulated profits	Subtotal	Non- controlling interests	Total
						measured						
						at FVTOCI reserve	Other reserve	reserve				
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>		
		<i>(Note i)</i>	<i>(Note ii)</i>				<i>(Note iii)</i>					
At March 31, 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 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 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	

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – continued

Year ended December 31, 2025

	Attributable to owners of the Company								Total
	Share capital	Capital reserves	Statutory reserve	Property revaluation reserve	Currency translation reserve	Financial assets measured at FVTOCI reserve	Other reserve	Accumulated profits	
	HK\$'000	HK\$'000 (Note i)	HK\$'000 (Note ii)	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note iii)	HK\$'000	HK\$'000
At December 31, 2024	87,692	198,638	22,045	91,018	(23,562)	(16,448)	(3,475)	62,364	418,272
Total comprehensive income (expense) for the year:									
Profit for the year	-	-	-	-	-	-	-	50,958	50,958
Other comprehensive (expense) income for the year	-	-	-	(9,386)	6,353	166	-	-	(2,867)
Total	-	-	-	(9,386)	6,353	166	-	50,958	48,091
Transactions with owners, recognised directly in equity:									
Issuance of ordinary shares (Note 14)	15,000	24,900	-	-	-	-	-	-	39,900
Exercise of share options	297	864	-	-	-	-	-	-	1,161
Share options forfeited	-	(37)	-	-	-	-	-	37	-
Transfer from property revaluation reserve	-	-	-	(4,627)	-	-	-	4,627	-
Transfer of statutory reserve	-	-	452	-	-	-	-	(452)	-
Total	15,297	25,727	452	(4,627)	-	-	-	4,212	41,061
At December 31, 2025	102,989	224,365	22,497	77,005	(17,209)	(16,282)	(3,475)	117,534	507,424

### 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

Year ended December 31, 2025

	Year ended December 31, 2025 <i>HK\$'000</i>	Nine months ended December 31, 2024 <i>HK\$'000</i>
<b>Operating activities</b>		
Profit (Loss) before tax	42,784	(68,495)
Adjustments for:		
Depreciation of property, plant and equipment	11,347	10,098
Depreciation of right-of-use assets	2,387	1,847
Interest expense on bank borrowings and trust receipt loans	20,306	24,349
Interest expense on loans from the ultimate holding company	7,388	2,449
Interest expense on lease liabilities	193	126
(Reversal of) allowance for inventories	(46,280)	26,111
Impairment losses reversed under ECL model, net	(6,012)	(7,813)
Gain on disposal of property, plant and equipment	–	(66)
Loss on fair value change of investment property	1,691	188
Unrealised exchange gain	(437)	(1,089)
Interest income	(322)	(414)
Operating cash flows before movements in working capital	33,045	(12,709)
Decrease in inventories	130,010	262,629
(Increase) Decrease in trade receivables	(49,090)	25,797
Decrease (Increase) in other receivables, deposits and prepayments	965	(601)
Decrease in long-term deposits	4	1,228
Increase in amounts due from related companies	(248)	(781)
Increase in amount due to related companies	4,360	–
Increase (Decrease) in trade payables	132,551	(405,600)
Increase (Decrease) in other payables	13,449	(10,532)
Decrease in contract liabilities	(582)	(273)
Cash generated from (used in) operations	264,464	(140,842)
Income tax refund	2,570	3,874
Interest paid	(28,191)	(26,537)
Interest received	322	414
Net cash generated from (used in) operating activities	239,165	(163,091)

## CONSOLIDATED STATEMENT OF CASH FLOWS – continued

Year ended December 31, 2025

	Year ended December 31, 2025 <i>HK\$'000</i>	Nine months ended December 31, 2024 <i>HK\$'000</i>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(374)	(405)
Purchases of investments in unlisted equity securities	(9,912)	(2,160)
Proceeds from disposal of property, plant and equipment	–	444
Net cash used in investing activities	<u>(10,286)</u>	<u>(2,121)</u>
<b>Financing activities</b>		
Proceeds from issuance of ordinary shares	39,900	–
Proceeds from exercise of share options	1,161	183
Repayments of trust receipt loans and bank borrowings	(1,351,775)	(1,642,547)
Proceeds from trust receipt loans and bank borrowings	1,271,149	1,618,391
Repayments of Loans from the ultimate holding company	(167,097)	(34,935)
Proceeds from Loans from the ultimate holding company	52,320	200,370
Repayments of lease liabilities	(2,456)	(2,065)
Net cash (used in) generated from financing activities	<u>(156,798)</u>	<u>139,397</u>
Net increase/(decrease) in cash and cash equivalents	72,081	(25,815)
Cash and cash equivalents at beginning of the year/period	41,412	68,851
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(1,500)	(1,624)
Cash and cash equivalents at end of the year/period	<u><u>111,993</u></u>	<u><u>41,412</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*Year ended December 31, 2025*

## 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 nine months ended December 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 year ended December 31, 2025 are the same as those presented in the Group’s annual financial statements for the nine months ended December 31, 2024.

During the last 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 twelve-month period ended December 31, 2025 and the comparative financial statements cover a nine-month period ended December 31, 2024. The comparative amounts are therefore not entirely comparable.

## 2. PRINCIPAL ACCOUNTING POLICIES – continued

### *New and amendments to IFRS Accounting Standards that are mandatorily effective for the current year*

In the current year, the Group has applied the following amended IFRS Accounting Standards for the first time, which are mandatorily effective for the Group's current period beginning on January 1, 2025 for the preparation of the Group's consolidated financial statements:

Amendments to IAS 21 *Lack of exchangeability*

Amendments to IAS 21 specify how an entity should assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements. The adoption of the standard did not have any material effect on the financial statements of the Group.

### *New and amendments to IFRS Accounting Standards in issue but not yet effective*

The Group has not applied the following new and revised IFRS accounting standards, that have been issued but are not yet effective

IFRS 18	<i>Presentation and Disclosure in Financial Statements<sup>2</sup></i>
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures<sup>2</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments<sup>1</sup></i>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity<sup>1</sup></i>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup></i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency<sup>2</sup></i>
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	<i>Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

### 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 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:

#### Year ended December 31, 2025

	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	941,092	1,182,723	234,438	2,358,253	–	2,358,253
Sales – inter-company	575,786	730,423	–	1,306,209	(1,306,209)	–
	1,516,878	1,913,146	234,438	3,664,462	(1,306,209)	2,358,253
Cost of sales	(1,424,063)	(1,811,467)	(210,414)	(3,445,944)	1,306,209	(2,139,735)
<b>Gross profit/segment results</b>	<u>92,815</u>	<u>101,679</u>	<u>24,024</u>	<u>218,518</u>	<u>–</u>	<u>218,518</u>
Other income						7,700
Distribution costs						(18,727)
Administrative expenses						(138,464)
Other gains and losses						(2,677)
Impairment losses reversed under ECL model, net						6,012
Loss on fair value change of investment property						(1,691)
Finance costs						(27,887)
Profit before tax						42,784
Income tax credit						8,174
Profit for the year						<u>50,958</u>
Profit attributable to owners of the Company						<u>50,958</u>

### 3. SEGMENT INFORMATION – continued

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	(1,209,020)	(1,248,556)	(188,573)	(2,646,149)	885,585	(1,760,564)
<b>Gross profit/segment results</b>	<u>27,079</u>	<u>33,007</u>	<u>8,250</u>	<u>68,336</u>	<u>–</u>	68,336
Other income						2,965
Distribution costs						(14,137)
Administrative expenses						(106,485)
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						(26,924)
Loss before tax						(68,495)
Income tax credit						6,893
Loss for the period						(61,602)
Loss attributable to non-controlling interests						(1)
Loss attributable to owners of the Company						<u>(61,601)</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

	<b>Year ended December 31, 2025 HK\$'000</b>	Nine months ended December 31, 2024 HK\$'000
The income tax credit comprises:		
Current tax:		
– Hong Kong	513	410
– PRC Enterprise Income Tax (“EIT”)	–	92
– Taiwan	207	392
– Taiwan withholding tax on dividends	365	861
	<u>1,085</u>	<u>1,755</u>
Under (over) provision in respect of prior year/period:		
– Hong Kong	61	–
– PRC EIT	–	(1,444)
– Taiwan	(23)	(44)
	<u>38</u>	<u>(1,488)</u>
Deferred tax:		
– Credit to the year/period	(9,297)	(7,160)
	<u>(8,174)</u>	<u>(6,893)</u>

The Company and subsidiaries of the Company incorporated in Hong Kong were subject to Hong Kong Profits Tax at the rate of 16.5% for the year ended December 31, 2025 and the nine months ended December 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% (December 31, 2024: 25%). The tax rate of the Taiwan subsidiary is 20% (December 31, 2024: 20%).

## 5. PROFIT (LOSS) FOR THE YEAR/PERIOD

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

	<b>Year ended December 31, 2025 HK\$'000</b>	Nine months ended December 31, 2024 HK\$'000
Cost of inventories recognised as expenses ( <i>Note i</i> )	<b>2,139,735</b>	1,760,564
Depreciation of property, plant and equipment	<b>11,347</b>	10,098
Depreciation of right-of-use assets	<b>2,387</b>	1,847
Directors' emoluments ( <i>Note ii</i> )	<b>3,394</b>	2,660
(Gain) loss on disposal of property, plant and equipment	–	(66)
Audit fees		
Paid to auditor of the Company	<b>600</b>	602
Paid to other auditors	<b>1,768</b>	1,142
Non-audit fees		
Paid to auditor of the Company	–	–
Paid to other auditors	<b>58</b>	343
Staff costs (excluding directors' emoluments) ( <i>Note ii</i> )	<b>101,067</b>	69,077
Net foreign exchange loss (gain)	<b>2,677</b>	(59)
Interest income from bank deposits	<b>(322)</b>	(414)
Interest expense on borrowings	<b>27,694</b>	26,798
Impairment losses reversed under ECL model on trade receivables	<b>6,012</b>	7,813
Government grant	<b>(692)</b>	(1,314)
	<b><u>                    </u></b>	<b><u>                    </u></b>

*Notes:*

- (i) During the year ended December 31, 2025, the amount included a net reversal of allowance for inventories amounting to HK\$46,280,000 (allowance for inventories for the nine months ended December 31, 2024: HK\$26,111,000).
- (ii) During the year ended December 31, 2025, cost of defined contribution plans amounting to HK\$14,475,000 (nine months ended December 31, 2024: HK\$11,103,000) was included in staff costs and directors' emoluments.

## 6. PROPERTY, PLANT AND EQUIPMENT

During the year ended December 31, 2025, the Group acquired property, plant and equipment amounting to HK\$374,000 (nine months ended December 31, 2024: HK\$405,000). In addition, the Group disposed of certain property, plant and equipment with a carrying amount of nil (nine months ended December 31, 2024: HK\$378,000), resulting in a gain of nil (nine months ended December 31, 2024: HK\$66,000).

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

The amount of FVTOCI represents the unlisted equity interests in two companies, Shenzhen Suijing Automotive Electronics Co., Ltd. and Huamaode Technology (Fujian) Co., Ltd., specialized in electronics components, approximately Renminbi (“RMB”) 11.2 million (nine months ended December 31, 2024: RMB8.0 million).

## 8. TRADE RECEIVABLES

	<b>December 31, 2025</b>	December 31, 2024
	<i>HK\$’000</i>	<i>HK\$’000</i>
Trade receivables	<b>697,431</b>	719,934
Less: allowance for credit losses	<b>(5,640)</b>	(11,486)
	<b>691,791</b>	708,448

The Group allows a credit period of 30 to 120 days (December 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:

	<b>December 31, 2025</b>	December 31, 2024
	<i>HK\$’000</i>	<i>HK\$’000</i>
Within 60 days	<b>407,356</b>	397,901
61 to 90 days	<b>136,160</b>	119,801
Over 90 days	<b>148,275</b>	190,746
	<b>691,791</b>	708,448

**8. TRADE RECEIVABLES – continued**

As at December 31, 2025, included in the Group’s net trade receivables balance are debtors with aggregate carrying amount of HK\$186,025,000 (December 31, 2024: HK\$192,874,000) 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, 2025 HK\$’000</b>	December 31, 2024 HK\$’000
Trade balance ( <i>Note</i> )	<u>1,192</u>	<u>948</u>

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. AMOUNTS DUE TO RELATED COMPANIES**

	<b>December 31, 2025 HK\$’000</b>	December 31, 2024 HK\$’000
Amounts due to associate ( <i>Note ii</i> ):		
Non-trade balance	3,860	–
Amounts due to other related companies ( <i>Note i</i> ):		
Trade balance	<u>500</u>	<u>–</u>
Total balance	<u>4,360</u>	<u>–</u>

Amounts due from related companies are unsecured, interest-free and repayable on demand.

*Note i:* Shanghai YCT Electronics Group Co., Ltd. (“Shanghai YCT”) (listed on ChiNext Board of the Shenzhen Stock Exchange) and its subsidiaries are defined as related companies.

*Note ii:* GW Electronics Company Limited is defined as a related company and associate.

## 11. TRANSFER OF FINANCIAL ASSETS

As at December 31, 2025, the Group's trade receivables amounting to HK\$149,823,000 (December 31, 2024: HK\$21,375,000) were transferred to banks by discounting those trade receivables and bills receivables amounting to HK\$20,267,000 (December 31, 2024: HK\$55,493,000) 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\$140,125,000 (December 31, 2024: HK\$72,561,000).

## 12. 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, 2025 HK\$'000</b>	December 31, 2024 HK\$'000
Within 30 days	<b>212,453</b>	274,729
31 to 60 days	<b>7,485</b>	48,267
61 to 90 days	<b>2,445</b>	2
	<b>222,383</b>	322,998

## 13. 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 "2024 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 2024 Loan, Shanghai YCT would grant loans at the aggregating amount not more than RMB150,000,000 with effective interest rate at 6.8% per annum to the Company and the Company's PRC subsidiaries.

On September 29, 2025, Shanghai YCT entered into another loan agreement (the "2025 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 2025 Loan, Shanghai YCT would grant loans at the aggregating amount not more than RMB100,000,000 with effective interest rate at 4.8% per annum to the Company and the Company's PRC subsidiaries.

These loans are unsecured and repayable in one year. The provision of the loans from Shanghai YCT to the Company constitutes a connected transaction of the Company under Chapter 14A of the HK Listing Rules. However, as the loans are conducted on normal commercial terms or better and it is not secured by the assets of the Group, the loans are 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, 2025, the carrying amount of the loan from Shanghai YCT was HK\$49,601,000 (December 31, 2024: HK\$163,180,000), including loan interest of HK\$118,000.

## 14. SHARE CAPITAL

	Number of shares		Share capital	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Ordinary shares of HK\$1.00 each				
<b>Authorised:</b>				
At beginning and at end of the year/period	<b>120,000</b>	120,000	<b>120,000</b>	120,000
<b>Issued and paid up</b>				
At beginning of the year/period	<b>87,692</b>	87,622	<b>87,692</b>	87,622
Exercise of share options	<b>297</b>	70	<b>297</b>	70
Issuance of ordinary shares ( <i>Note</i> )	<b>15,000</b>	–	<b>15,000</b>	–
<b>At end of the year/period</b>	<b>102,989</b>	87,692	<b>102,989</b>	87,692

The Company has no treasury shares.

*Note:*

On June 12, 2025, the Company entered into six separate subscription agreements with each of the six subscribers respectively, pursuant to which the Company has agreed to allot and issue and the six subscribers have conditionally agreed to subscribe for an aggregate of 15,000,000 new shares at the subscription price of HK\$2.66 (equivalent to approximately S\$0.44 based on the prevailing exchange rate of S\$ to HK\$ of S\$1 to HK\$6.09) per subscription share on the terms and subject to the conditions set out in the subscription agreements. The subscriptions were completed on July 15, 2025.

## 15. 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 year ended December 31, 2025, share options holders under ESOS III exercised part of their share options and subscribed for 297,000 shares (nine months ended December 31, 2024: 70,000 shares) of HK\$1.00 each of the Company at an exercise price of HK\$3.91 per share. The weighted average closing price of the Company’s shares immediately before the dates on which the options were exercised was HK\$7.79 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, 2024 (Audited)	1,012,500
Forfeited during the period	(595,500)
Exercised during the period	<u>(70,000)</u>
Outstanding share options for ordinary shares at January 1, 2025 (Audited)	347,000
Forfeited during the year	(50,000)
Exercised during the year	<u>(297,000)</u>
<b>Outstanding share options for ordinary shares at December 31, 2025</b>	<b><u><u>–</u></u></b>

## 15. 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	ESOS III
Grant date	December 2, 2020	July 17, 2017 (Note)
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 year ended December 31, 2025 and the nine months ended December 31, 2024, no share-based payment expense was recognised in profit or loss.

## 16. DIVIDEND

No dividend was declared and paid during the year ended December 31, 2025 and the nine months ended December 31, 2024

The Board does not recommend the payment of a final dividend for the year ended December 31, 2025

## 17. EARNINGS (LOSS) PER SHARE

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

	<b>Group Figures</b>			
	<b>Year ended</b>		<b>Nine months ended</b>	
	<b>December 31, 2025</b>		<b>December 31, 2024</b>	
	<b>Basic</b>	<b>Diluted</b>	<b>Basic</b>	<b>Diluted</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit (loss) attributable to owners of the Company	<u>50,958</u>	<u>50,958</u>	<u>(61,601)</u>	<u>(61,601)</u>
	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>
Weighted average number of ordinary shares	<u>94,753,087</u>	<u>94,753,087</u>	87,685,940	87,685,940
Adjustment for dilutive potential ordinary shares	<u>–</u>	<u>27,506</u>	<u>–</u>	<u>N/A</u>
Weighted average number of ordinary shares used to compute earnings (loss) per share	<u>94,753,087</u>	<u>94,780,593</u>	<u>87,685,940</u>	<u>87,685,940</u>
<b>Earnings (loss) per share (HK cents)</b>	<u>53.78</u>	<u>53.76</u>	<u>(70.25)</u>	<u>(70.25)</u>

**17. EARNINGS (LOSS) PER SHARE – continued**

The computation of diluted loss per share for the year ended December 31, 2025 and the nine months ended December 31, 2024 did not assume the exercise of certain of share options granted by the Company when the exercise price of those share options was higher than the average market price of the shares for the year/period.

During the nine months ended December 31, 2024, the Company reported a net loss in the period. 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 as they had an anti-dilutive effect on the basic loss per share amounts presented.

**18. NET ASSET VALUE**

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

	<b>Group Figures</b>		<b>Company Figures</b>	
	<b>December 31, 2025</b>	December 31, 2024	<b>December 31, 2025</b>	December 31, 2024
Net asset value per ordinary share based on the number of issued shares of the Company at the end of the year/period (HK cents)	<b>492.70</b>	476.98	<b>432.26</b>	459.02

The net asset backing per ordinary share as at December 31, 2025 was based on a total of 102,989,049 (December 31, 2024: 87,692,049) issued ordinary shares.

## 19. INFORMATION ABOUT THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

As at December 31, 2025

	December 31, 2025 <i>HK\$'000</i>	December 31, 2024 <i>HK\$'000</i>
<b>Non-current assets</b>		
Amount due from a subsidiary	33,814	33,814
Interests in subsidiaries	<u>179,478</u>	<u>179,478</u>
Total non-current assets	<u>213,292</u>	<u>213,292</u>
<b>Current assets</b>		
Amounts due from subsidiaries	233,633	197,917
Deposits and prepayments	261	145
Cash and cash equivalents	<u>1,556</u>	<u>672</u>
Total current assets	<u>235,450</u>	<u>198,734</u>
<b>Total assets</b>	<u><u>448,742</u></u>	<u><u>412,026</u></u>
<b>Current liabilities</b>		
Amount due to a subsidiary	1,667	4,738
Other payables	1,817	1,992
Income tax payable	73	550
Financial guarantee liabilities	<u>–</u>	<u>2,223</u>
Total current liabilities	<u>3,557</u>	<u>9,503</u>
<b>Net current assets</b>	<u>231,893</u>	<u>189,231</u>
<b>Total assets less current liabilities</b>	<u>445,185</u>	<u>402,523</u>
<b>Capital and reserves</b>		
Share capital	102,989	87,692
Reserves	<u>342,196</u>	<u>314,831</u>
<b>Equity attributable to owners of the Company</b>	<u>445,185</u>	<u>402,523</u>
<b>Total liabilities and equity</b>	<u><u>448,742</u></u>	<u><u>412,026</u></u>

## 20. INFORMATION ABOUT THE STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

*For the year ended December 31, 2025*

	<b>Share capital</b> <i>HK\$'000</i>	<b>Capital reserves</b> <i>HK\$'000</i>	<b>Accumulated profits</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
At March 31, 2024	<u>87,622</u>	<u>199,028</u>	<u>109,798</u>	<u>396,448</u>
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	<u>–</u>	<u>(503)</u>	<u>503</u>	<u>–</u>
Total	<u>70</u>	<u>(390)</u>	<u>503</u>	<u>183</u>
At December 31, 2024	<u><u>87,692</u></u>	<u><u>198,638</u></u>	<u><u>116,193</u></u>	<u><u>402,523</u></u>
Profit for the year, representing total comprehensive income for the year	–	–	1,601	1,601
Transactions with owners, recognised directly in equity:				
Exercise of share options	297	864	–	1,161
Share options forfeited	–	(37)	37	–
Subscription of shares	<u>15,000</u>	<u>24,900</u>	<u>–</u>	<u>39,900</u>
Total	<u>15,297</u>	<u>25,727</u>	<u>37</u>	<u>41,061</u>
<b>At December 31, 2025</b>	<u><u><b>102,989</b></u></u>	<u><u><b>224,365</b></u></u>	<u><u><b>117,831</b></u></u>	<u><u><b>445,185</b></u></u>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

For the year ended December 31, 2025 (“FY2025”), the Group recorded a profit attributable to owners of the Company of HK\$51.0 million, compared to the net attributable loss of HK\$61.6 million posted in the preceding nine months ended December 31, 2024 (the “Preceding Financial Year”).

The significant improvement in the Group’s financial performance during the FY2025 was mainly attributable to: (i) general improvement in gross profit margin for the FY2025 as compared with the Preceding Financial Year 2024 primarily due to the introduction and scaling of higher-margin product lines, the development of higher-profit clients through new trade models, and increased supplier incentives from delivering strong performance in the FY2025; (ii) a net reversal of allowance for inventory for the FY2025 as compared to stock provision made for the slow-moving inventories in the Preceding Financial Year 2024; and (iii) net impairment reversals of certain trade receivables of the Group in the FY2025.

To mitigate operational risks associated with obsolete inventory, the Group implemented proactive inventories reduction initiatives. The Group recorded a net reversal of allowance for inventories amounting approximately 46.3 million in the FY2025, compared to the impairment of inventories amounting approximately HK\$26.1 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.

### **Revenue**

The Group’s revenue increased by 28.9% to HK\$2,358.3 million as all the Group’s segments reported stronger sales in the year ended December 31, 2025, except the segment of lighting, as compared to revenue of HK\$1,828.9 million in the Preceding Financial Year.

## Revenue by Market Segment Analysis

	Year ended		Nine months ended		Increase/(Decrease)	
	December 31, 2025		December 31, 2024			
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Automotive	711,727	30.2%	490,870	26.8%	220,857	45.0%
Industrial	593,191	25.2%	493,298	27.0%	99,893	20.3%
Home Appliance	358,886	15.2%	318,176	17.4%	40,710	12.8%
Electronic Manufacturing						
Services (“EMS”)	220,724	9.4%	151,664	8.3%	69,060	45.5%
Telecommunications	145,142	6.1%	79,187	4.3%	65,955	83.3%
Dealer	144,567	6.1%	136,178	7.4%	8,389	6.2%
Audio and Video	122,093	5.2%	112,758	6.2%	9,335	8.3%
Others	32,085	1.3%	16,595	1.0%	15,490	93.3%
Lighting	29,838	1.3%	30,174	1.6%	(336)	-1.1%
	<u>2,358,253</u>	<u>100.0%</u>	<u>1,828,900</u>	<u>100.0%</u>	<u>529,353</u>	<u>28.9%</u>

### *Automotive*

The Automotive segment has emerged as the Group’s largest revenue generator, contributing sales of HK\$711.7 million in FY2025. This was a 45.0% increase in revenue as compared to the Preceding Financial Year. The Group will deepen our engagement in the automotive segment by closely collaborating with tier-1 and tier-2 suppliers to secure a greater share of business.

### *Industrial*

Revenue from the Industrial segment increased 20.3% to HK\$593.2 million in FY2025 as compared to the Preceding Financial Year. Driven by the expansion into new robotics and new energy clients, the Group is actively developing tailored solutions and strengthening our market position in these high-growth sectors.

### *Home Appliance*

Revenue from the Home Appliance segment increased 12.8% to HK\$358.9 million in FY2025 as compared to the Preceding Financial Year. The growth was significantly supported by government subsidy programs, which effectively stimulated consumer spending and market demand.

### ***EMS***

The EMS segment recorded an increase in revenue of 45.5% to HK\$220.7 million in FY2025, as compared to the Preceding Financial Year. The significant growth is primarily attributed to the successful introduction and scaling of new product lines, which have rapidly gained market traction. The expansion into these new offerings has effectively broadened the Group's client base and contributed substantially to the segment's improved performance.

### ***Telecommunications***

Revenue from the Telecommunication segment increased by 83.3% to HK\$145.1 million in FY2025, as compared to the Preceding Financial Year. The significant growth was primarily driven by a substantial increase in the Group's market share within the mobile phone sector.

### ***Dealer***

The Dealer segment recorded an increase in revenue of 6.2% to HK\$144.6 million in FY2025 as compared to the Preceding Financial Year. The growth was primarily driven by an expansion in trading business activities, which contributed additional sales volume.

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

Revenue from the Audio and Video segment increased by 8.3% to HK\$122.1 million in FY2025, as compared to the Preceding Financial Year. The growth was mainly due to an increase in market share for the Group's Audio products.

### ***Others***

Revenue from the others segment increased significantly by 93.3% to HK\$32.1 million in FY2025, compared to the Preceding Financial Year. The remarkable growth was primarily driven by the successful introduction and market entry of new product lines.

### ***Lighting***

Revenue from the lighting segment declined by 1.1% to HK\$29.8 million in FY2025, as compared to the Preceding Financial Year. The slight decrease was primarily due to intensified competition from domestic brands and the reduction of certain loss-making business lines.

## **Gross Profit Margin**

The Group's gross profit margin increased to 9.3% in FY2025 from 3.7% in the Preceding Financial Year primarily due to a net reversal of allowance for inventories of HK\$46.3 million made in FY2025, compared to a stock provision of HK\$26.1 million in the Preceding Financial Year. The net reversal of allowances for inventories was mainly attributable to (i) the improved pricing due to recovering market demand; and (ii) the successful efforts to clear aged inventories.

Excluding the net reversal of allowances for inventories and net stock provision, the adjusted gross profit margin in FY2025 would have been 7.3%, compared to 5.2% in the Preceding Financial Year.

## **Other Income**

Other income increased by HK\$4.7 million to HK\$7.7 million in the year ended December 31, 2025 from HK\$3.0 million in the Preceding Financial Year, mainly due to the increase in rental income incurred in FY2025.

## **Distribution Costs**

Distribution costs increased by approximately HK\$4.6 million in the year ended December 31, 2025 to HK\$18.7 million in the year ended December 31, 2025 from HK\$14.1 million in the Preceding Financial Year. The increase was mainly due to the increased sales and the increased sales incentive expenses.

## **Administrative Expenses**

Administrative expenses increased by approximately HK\$32.0 million or 30.0% to HK\$138.5 million in the year ended December 31, 2025 from HK\$106.5 million in the Preceding Financial Year. This increase was primarily attributable to higher staff costs, driven by (i) an increase in performance bonuses and incentives; and (ii) severance payments related to the Group's staff optimization program.

## **Other Gains and Losses**

Other losses of HK\$2.7 million were incurred in the year ended December 31, 2025 (nine months ended December 31, 2024: Other gains HK\$0.1 million). This was primarily due to exchange losses from fluctuations in the Renminbi ("RMB") against the US dollar ("USD") and Hong Kong dollar ("HKD") during FY2025, compared to greater stability in the Preceding Financial Year.

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

There was a reversal of net impairment losses of HK\$6.0 million in the year ended December 31, 2025 (nine months ended December 31, 2024: 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 in the prior period.

## **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, slightly increased by HK\$1.0 million or 3.6% to HK\$27.9 million in the year ended December 31, 2025 from HK\$26.9 million in the Preceding Financial Year.

## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Financial Position**

Trust receipt loans decreased by HK\$65.0 million to HK\$75.0 million as at December 31, 2025, from HK\$140.0 million as at December 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\$222.4 million as at December 31, 2025, from HK\$323.0 million as at December 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\$16.6 million to HK\$691.8 million as at December 31, 2025, from HK\$708.4 million as at December 31, 2024. The Group generally allows an average credit period of 30 to 120 days to its trade customers. The debtor turnover days remained stable to 3.6 months as at December 31, 2025, reflecting consistent credit management practices and aligned customer payment behaviours under the group's tightened collection policies.

As at December 31, 2025, the Group's current ratio (current assets divided by current liabilities) was 1.35 (December 31, 2024: 1.20).

### **Inventories**

Inventories decreased to HK\$335.2 million as at December 31, 2025, from HK\$417.9 million as at December 31, 2024. The inventory turnover days decreased to 1.9 months as at December 31, 2025, from 2.2 months as at December 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, 2025 the Group had a working capital of HK\$296.8 million which included a cash balance of HK\$112.0 million, compared to a working capital of HK\$200.6 million which included a cash balance of HK\$41.4 million as at December 31, 2024. The increase in cash by HK\$70.6 million was primarily attributable to the net effect of cash inflow of HK\$239.2 million generated from operating activities and cash outflow of HK\$156.8 million used in financing activities. The Group's cash balance was mainly denominated in USD, RMB and HKD.

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

Cash outflow used in financing activities was mainly attributable to the net effect of the decrease in loans from ultimate holding company, the decrease in trust receipt loans and the increase in bank borrowings during the period under review.

## Borrowings and Banking Facilities

As at December 31, 2025, the Group had bank borrowings of HK\$460.5 million, which were repayable within one year. Among the Group's bank borrowings, 81.0% was denominated in RMB and the remainder was denominated in HKD. As at December 31, 2025, the fixed-rate bank borrowings and the variable-rate bank borrowings accounted for 86.4% and 13.6%, respectively. The fixed-rate bank borrowings bore interest at a weighted average effective rate of 3.14% per annum, while variable-rate bank borrowings bore interest at a weighted average effective rate of 4.18% per annum.

As at December 31, 2025, trust receipt loans of HK\$75.0 million were secured and repayable within one year and bore interest at a weighted average effective rate of 6.39% per annum. 100% of the trust receipt loans was denominated in HKD. As at December 31, 2025, the Group had unutilised banking facilities of HK\$219.7 million (December 31, 2024: HK\$314.6 million).

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

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

As at December 31, 2025		As at December 31, 2024	
Secured	Unsecured	Secured	Unsecured
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
164,849	295,676	139,873	177,032

## Amount repayable after one year

As at December 31, 2025		As at December 31, 2024	
Secured	Unsecured	Secured	Unsecured
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
–	–	–	–

As at December 31, 2025, the Group's trade receivables amounting to HK\$149.8 million (December 31, 2024: HK\$21.4 million) were transferred to banks by discounting those trade receivables and bills receivables amounting to HK\$20.3 million (December 31, 2024: HK\$55.5 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\$140.1 million (December 31, 2024: HK\$72.6 million).

As at December 31, 2025, the Group's remaining secured bank borrowings amounted to HK\$24.7 million (December 31, 2024: HK\$67.3 million) had been secured by the pledge of office premise and the certain bills receivables held by the Group amounted to nil (December 31, 2024: HK\$10.7 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, 2025, the Group's net gearing ratio was 94.0% (December 31, 2024: 139.9%). 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 decrease was mainly due to decrease in loans from the ultimate holding company, increases in cash and cash equivalents and shareholders' equity.

### **Proceeds from the placing of shares**

On July 15, 2025, the Company issued 15,000,000 ordinary shares (the “2025 Placing”) at an issue price of HK\$2.66 (equivalent to approximately S\$0.44 based on the exchange rate of S\$ to HK\$ of S\$1 to HK\$6.09 as at the date of the 2025 Placing) per share. As a result, the Company received net proceeds of approximately HK\$39.6 million (equivalent to approximately S\$6.5 million) after deduction of the related expenses. As at 31 December 2025, all net proceeds from the 2025 Placing have been fully utilized as planned. Approximately HK\$23.7 million, representing approximately 60.0% of the net proceeds from the 2025 Placing, was utilized for the repayment of bank borrowings and trust receipt loans; approximately HK\$11.9 million, representing approximately 30.0% of the net proceeds from the 2025 Placing, was utilized for payments to suppliers for inventories and the remaining amount of approximately HK\$4.0 million, representing approximately 10.0% of the net proceeds from the 2025 Placing, was utilized for the Group’s general working capital, all of which was for staff costs.

### **STRATEGY AND PROSPECTS**

Moving forward, our core strategy for growth centers on two key initiatives: targeted expansion of our customer base and the enhancement of our product portfolio. We will actively pursue new clients within strategic segments, including Industrial and EMS, to diversify our revenue sources and mitigate market-specific risks. Concurrently, we are committed to introducing a more competitive range of product lines.

Specifically, our business development efforts will focus on penetrating defined high-potential verticals within the industrial automation and EMS manufacturing sectors. This involves tailoring our sales and technical support to meet the specific supply chain and engineering requirements of clients in these fields. On the product front, we will systematically introduce new lines that offer technological advantages or better cost-performance ratios.

This includes sourcing and developing products under both domestic and international brands to create a diversified and compelling portfolio for our customers. By combining this expanded client reach with a stronger product offering, we aim to capture a larger market share. Our outlook is positive, as this dual approach is designed to build a more resilient and profitable business foundation for sustainable growth in the coming years.

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

Reference is made to the Company’s announcement dated January 30, 2026, in which the Company’s subsidiaries have entered into the warehousing and logistics services agreements with Shanghai YCT’s subsidiaries, pursuant to which the Company’s subsidiaries agreed to provide warehousing and logistics services to Shanghai YCT’s subsidiaries up to December 31, 2026.

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 year ended December 31, 2025 (nine months ended December 31, 2024: nil). No dividend has been declared for the year ended December 31, 2025 as the Group intends to retain cash for its business operations and future growth.

The forthcoming annual general meeting of the Company (the “2026 AGM”) will be held on or around April 29, 2026 at 9:30 a.m.

## **CLOSURE OF REGISTER OF MEMBERS**

### **For determining the entitlement to attend and vote at the 2026 AGM**

For the purpose of determining the entitlement of the shareholders of the Company (the “Shareholders”) to attend and vote at the 2026 AGM, for Hong Kong Shareholders, the Hong Kong branch Register of Members (the “Hong Kong Branch Register”) will be closed from Friday, April 24, 2026 to Wednesday, April 29, 2026, 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 2026 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 Thursday, April 23, 2026.

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 Thursday, April 23, 2026. 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 Thursday, April 23, 2026 will be registered to determine Singapore Shareholders’ entitlements to attend and vote at the 2026 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 Wednesday, April 15, 2026 for Hong Kong Shareholders and not later than 5:00 p.m. on Wednesday, April 15, 2026 for Singapore Shareholders.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at December 31, 2025, the Group had a workforce of 293 (December 31, 2024: 312) full-time employees, of which 17.75% worked in Hong Kong, 77.13% 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, 2025 (December 31, 2024: nil).

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

During the year ended December 31, 2025, 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 year ended December 31, 2025, 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") except those stated in paragraph 3 of this section.

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")).

Provision C.2.1 of the HK CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Provision 3.1 of the Singapore CG Code stipulates that the chairman and the chief executive officer are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. Mr. Xie Lishu ("Mr. Xie") currently assumes the roles of both the chairman of the Board and the chief executive officer of the Company since October 22, 2025. Mr. Xie has extensive experience and in-depth knowledge in distribution of electronic components business. The Board believes that it is in the best interest of the Company to vest both roles in Mr. Xie, which provides the Group with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. A lead independent director has been appointed to provide leadership in situations where conflict of interest potentially exists when the chairman executes his duties and INEDs have made up a majority of the Board. The Board believes that a balance of power and authority has been and will be maintained.

## **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 year ended December 31, 2025.

## 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 year ended December 31, 2025 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 year ended December 31, 2025 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.

## CHANGES IN INFORMATION

Besides as disclosed in announcements dated at June 27, 2025, July 9, 2025 and October 22, 2025, other information required to be disclosed under Rule 13.51B(1) of the HK Listing Rules will be disclosed in the annual report.

## 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 year ended December 31, 2025 (containing the Company’s sustainability report) and the notice of the 2026 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.

## 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***

As disclosed in the announcement on profit guidance dated February 13, 2026, no variance between the mentioned announcement and the actual results was noted.

***2. If the Group has obtained a general mandate from Shareholders for interested person transactions (“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***

The Group has not obtained a general mandate from Shareholders for IPTs. Save as disclosed below, there are no IPTs amounting to S\$100,000 and above entered into during the financial period reported on. Please refer to the announcements dated September 29, 2025 and November 25, 2025 for more information.

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST)		Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual of the SGX-ST (excluding transactions less than S\$100,000)	
		(HK\$)	(S\$) <sup>(1)</sup>	(HK\$)	(S\$)
Shenzhen E-Mantech Ltd.	A subsidiary of Shanghai YCT, the controlling shareholder of the Company.	1,250,000.00 <sup>(2)</sup>	208,785.70 <sup>(2)</sup>	–	–
		1,500,000.00 <sup>(3)</sup>	250,542.84 <sup>(3)</sup>	–	–
Texin	A subsidiary of Shanghai YCT, the controlling shareholder of the Company.	910,823.00 <sup>(4)</sup>	152,133.46 <sup>(4)</sup>	–	–
Shanghai YCT	The controlling shareholder of the Company.	5,274,726.00 <sup>(5)</sup>	881,029.90 <sup>(5)</sup>	–	–
Shanghai YCT and its subsidiaries (the “Shanghai YCT Group”)	The controlling shareholder of the Company and its subsidiaries.	4,050,000.00 <sup>(6)</sup>	676,465.68 <sup>(6)</sup>	–	–
Shanghai YCT Group	The controlling shareholder of the Company and its subsidiaries.	7,900,000.00 <sup>(7)</sup>	1,319,525.64 <sup>(7)</sup>	–	–

- (1) The Singapore dollar equivalents are based on the exchange rate prevailing as at November 25, 2025, for the purposes of determining the applicable thresholds under Rule 905 of the Listing Manual of the SGX-ST.
- (2) Provision of warehouse and logistic services by Willas-Array Electronics (Shanghai) Limited (“Willas Shanghai”), a subsidiary of the Company, pursuant to a Shanghai bonded warehouse storage and logistics services agreement.
- (3) Provision of warehouse and logistic services by Willas Shanghai, a subsidiary of the Company, pursuant to a Shanghai bonded warehouse storage and logistics services agreement.

- (4) Leasing of part of the warehouse space in Hong Kong by Willas Array Electronics Management Limited, a subsidiary of the Company, pursuant to a warehouse lease agreement.
- (5) Interest payable on the maximum amount of the loan pursuant to a loan lease agreement.
- (6) Purchase of semiconductor electronic component products by the Group pursuant to a master purchase framework agreement and a supplemental purchase deed.
- (7) Supply of semiconductor electronic component products by the Group pursuant to a master supply framework agreement, a first supplemental supply deed and a second supplemental supply deed.

### 3. *A breakdown of sales*

	<b>Group</b>		
	<b>Year ended December 31, 2025 HK\$'000</b>	Nine months ended December 31, 2024 HK\$'000	Increase (Decrease) %
(a) Sales reported for first half year	<b>1,158,844</b>	1,189,829	-2.6%
(b) Operating Profit (loss) after tax before deducting non-controlling interests reported for first half year	<b>20,726</b>	(62,160)	NM
(c) Sales reported for second half year	<b>1,199,409</b>	639,071	87.7%
(d) Operating profit (loss) after tax before deducting non-controlling interests reported for second half year	<b>30,232</b>	558	NM

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

	<b>Total Annual Dividend</b>	
	<b>Latest Full Year HK\$'000</b>	Previous Full Year HK\$'000
(a) Ordinary	-	-
(b) Preference	-	-
Total:	-	-

## 5. Use of proceeds

As announced on June 12, 2025, the Company entered into subscription agreements for the issuance of 15,000,000 new ordinary shares at a subscription price of HK\$2.66 per share (equivalent to approximately S\$0.44 per share based on an exchange rate of S\$1 to HK\$6.09 as at 12 June 2025). The gross proceeds from the subscriptions amounted to approximately HK\$39.9 million (equivalent to approximately S\$6.6 million). After deducting the estimated expenses incurred or to be incurred in connection with the subscriptions, the net proceeds amounted to approximately HK\$39.6 million (equivalent to approximately S\$6.5 million). As at the date of this announcement, the utilization of the net proceeds is as set out below:

	<b>Amount allocated HK\$'000</b>	<b>Percentage allocated %</b>	<b>Amount utilized as at the date of this announcement HK\$'000</b>	<b>Balance of net proceeds as at the date of this announcement HK\$'000</b>
Repayment for bank borrowings and/or trust receipt loans	23,700	60	23,700	–
Replenish working capital of the Company, which will mainly cover the operation costs and expenses of the Company	15,900	40	15,900	–
<b>Total</b>	<b>39,600</b>	<b>100</b>	<b>39,600</b>	<b>–</b>

The amount utilized for working capital was HK\$15,900,000 and was used to pay for (i) suppliers for inventories amounting to HK\$11,900,000 and (ii) general working capital amounting to HK\$4,000,000, all of which was for staff costs.

The above utilization is in accordance with the intended use of proceeds as stated in the Company's announcement dated June 12, 2025.

6. ***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.

7. ***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, February 27, 2026

*As at the date of this announcement, the Board comprises one Director, namely Xie Lishu (Chairman); 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 year ended December 31, 2025 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, 2025, 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 year ended December 31, 2025, 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, 2025, and of its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2025 in accordance with IFRS Accounting Standards as 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"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **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 matters (continued)

Key audit matter	How our audit addressed the key audit matter
<b><i>Impairment assessment of trade receivables</i></b>	
<p>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.</p>	<p>Our audit procedures in relation to impairment assessment of trade receivables included but not limited to:</p> <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></ul>
<p>As at December 31, 2025, the Group's net trade receivables amounting to HK\$691,791,000, which represented approximately 51% of total assets of the Group and trade receivables amounting to HK\$186,025,000 were past due as disclosed in Note 25 to the consolidated financial statements.</p>	<ul style="list-style-type: none"><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>
<p>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, 2025.</p>	<ul style="list-style-type: none"><li>• 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;</li><li>• 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;</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 Group's lifetime ECL on trade receivables as at December 31, 2025 amounted to HK\$5,640,000.

- 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 Notes 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, 2025, the carrying amount of the Group's inventories was HK\$335,204,000, net of allowance for inventories of HK\$68,172,000.

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;
- Engaging the internal information technology specialists to perform a computer assisted audit techniques exercise to test the accuracy of the inventories aging listed in the system generated report;
- 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

27 February 2026