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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 PERTAINING TO
UPDATE ON DIRECTOR'S INFORMATION**

The Company refers to the announcement dated June 27, 2025 pertaining to the above-captioned subject matter (the “**Announcement**”) released on the Singapore Securities Trading Limited. This announcement is made by Willas-Array Electronics (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to 13.51B(2) and 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and to supplement the Announcement.

On February 28, 2024, the Company was notified that the Shanghai Bureau of the China Securities Regulatory Commission (the “**Shanghai Bureau**”) issued decision letters (No.67 [2024]), (No. 68 [2024]) and (No.69 [2024]) (the “**First Decision Letter**”) to Shanghai YCT Electronics Group Company Limited, a company listed on the Shenzhen Stock Exchange (stock code: 301099) (“**Shanghai YCT**”) and relevant personnel. Shanghai YCT is a company controlled by Mr. Xie Lishu (“**Mr. Xie**”), an executive director and the chairman of the board (the “**Board**”) of directors (the “**Directors**”) of the Company. He is also currently a director and the general manager of Shanghai YCT.

Pursuant to the First Decision Letter, Shanghai YCT failed to comply with the disclosure requirements in relation to its use of fund raising proceeds under Article 6 and Article 12 paragraph 1 of the Announcement on Issuing Regulatory Guidelines for Listed Companies No.2 – Regulatory Requirements for the Management and Use of Funds Raised by Listed Companies (Announcement No. 15 [2022]) and Article 3 of Measures for the Administration of Information Disclosure by Listed Companies (Order No. 182).

The incident in relation to the First Decision Letter involved relates to the re-allocation of proceeds from internal funds and proceeds from the issuance of a convertible bond of Shanghai YCT, with the amount of approximately RMB363 million (the “**Gross Proceeds**”). According to the “Fund Raising Memorandum” of Shanghai YCT, the proceeds from the issuance should be used towards two specific projects, approximately RMB227 million and RMB136 million respectively. On November 9, 2023, the board of directors of Shanghai YCT, resolved to approve the reimbursement of approximately RMB127.3944 million of pre-invested funds in the designated Gross Proceeds account that had been originally allocated from the internal resources of Shanghai YCT previously to support the two fundraising projects. The reimbursement process was completed on November 13, 2023. However, due to an operational error during the reimbursement process, a portion of the raised fund was not strictly allocated in accordance with the disclosed purposes of the fundraising projects, resulting in a mismatch in the funding structure. This issue was identified at the beginning of 2024 during the annual financial accounting and sponsor institution verification. Shanghai YCT promptly initiated a reconfirmation process and on January 8, 2024, the excess reimbursed amount of RMB33.5245 million along with related interest of RMB0.089 million was returned to the designated Gross Proceeds account to ensure compliant fund usage requirements. The fund utilisation and reimbursement process was primarily handled by Shanghai YCT’s finance department. Due to an inadvertent error of the finance department of Shanghai YCT, the full details regarding the reimbursement were not presented to the board of directors of Shanghai YCT and the error involving the excess amount allocation from the designated Gross Proceeds account was not brought to the attention of the board of directors of Shanghai YCT (including Mr. Xie).

Mr. Xie, in his position as the director and general manager of Shanghai YCT, shall bear responsibility for the above non-compliance. Accordingly, the Shanghai Bureau issued the First Decision Letter to Shanghai YCT, Mr. Xie and the relevant personnel. For details of the First Decision Letter, please refer to the announcement published by Shanghai YCT on the website of the Shenzhen Stock Exchange.

On June 19, 2025, the Company was notified that Shanghai Bureau also issued decision letter (No. 314 [2024]) to Shanghai YCT and relevant responsible personnels in August 2024 (the “**Second Decision Letter**”). Pursuant to the Second Decision Letter, Mr. Xie as the chairman and general manager of Shanghai YCT, failed to comply with Article 4 of the Measures for the Administration of Information Disclosure by Listed Companies.

The incident in relation to the Second Decision Letter pertained to the discrepancies in Shanghai YCT’s consolidated financial results for the first half of 2023, third quarter of 2023 and first quarter of 2024 which resulted from (a) the differences in reporting period and disclosure requirements including the timing of such disclosures between the Company and Shanghai YCT, and (b) the inability of Shanghai YCT to obtain the Company’s financial results for the corresponding period in a timely manner.

Based on the information made available to the Company, the incident resulted in Shanghai YCT having overstated its net profit for its consolidated financial results for the half year of 2023, third quarter of 2023 and first quarter of 2024 by approximately RMB3.323 million, RMB16.6 million and RMB8.3 million respectively. After correction, the revised net profits of Shanghai YCT for the first half year of 2023, third quarter of 2023 and first quarter of 2024 were approximately RMB30 million, RMB41.8 million and RMB23.6 million respectively.

In 2023, changes in the Company's senior management, coupled with the ongoing voluntary conditional offer transaction led to delays in the Company's internal audit process. As a result, the Company's financial results for the first half of 2023, third quarter of 2023 and first quarter of 2024 were not provided to Shanghai YCT in a timely manner. This, along with the differing financial year ends between the Company and Shanghai YCT, contributed to Shanghai YCT's inability to accurately reflect the Company's financial position for the corresponding periods. The aforementioned incident occurred during a transitional phase and was not attributable to any misconduct or negligence on the part of Shanghai YCT or its personnel.

CSRC was of the view that Shanghai YCT's failure to accurately reflect the financial status of the Company for the first half of 2023, the third quarter of 2023 and the first quarter of 2024 and Shanghai YCT's failure to comply with Article 3, Section 1 of the Administrative Measures for Information Disclosure by Listed Companies (CSRC Decree No. 182) constitute a non-compliance to comply with Article 4 of the Measures for the Administration of Information Disclosure by Listed Companies. Hence, CSRC also issued a letter to Shanghai YCT, Mr. Xie and Mr. Fan Xiaolei on this incident. For details of the Second Decision Letter, please refer to the announcement published by Shanghai YCT on the website of the Shenzhen Stock Exchange.

Based on the information made available to the Company, the reason that the incident in relation to the Second Decision Letter was not initially disclosed to the Board was due to the understanding of Mr. Xie formed from the First Decision Letter that letters of such nature did not constitute a "warning issued by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere", hence the Second Decision Letter was not initially brought to the attention of the Board.

After reviewing the relevant information, Mr. Xie's explanations, and legal advice from PRC counsel, the Nomination Committee of the Company (excluding Ms. Huang) (the "**Nomination Committee**") and the Board (excluding Mr. Xie, Ms. Huang and Mr. Fan Qinsheng ("**Mr. Fan**")) concluded that the incidents did not involve any dishonesty, fraud, or a lack of integrity on Mr. Xie's part. The PRC legal advice clarified that the letters issued by the CSRC were administrative measures, not penalties, and did not indicate that Mr. Xie is unsuitable to serve as a director. Moreover, the Second Decision Letter related to financial reporting discrepancies caused by timing and disclosure differences between the Company and Shanghai YCT. After due and careful consideration of Mr. Xie's past compliance track record, experience and integrity of Mr. Xie as a whole, or displayed during Mr. Xie's tenure as a Non-Executive Director of the Group at the material time (from May 20, 2023 to October 20, 2024), the Nomination Committee is of the view that the incident has not impaired the suitability of Mr. Xie to act as a Director and Mr. Xie is able to continue to fulfill his duties as a Director. The Board (excluding Mr. Xie, Ms. Huang and Mr. Fan) had reviewed the facts and circumstances, and concur with the view of the Nomination Committee.

The First Decision Letter and the Second Decision Letter were not issued against any members of the Group and the Board is of the view that there is no material adverse impact on the business operations and financial position of the Company.

The Nomination Committee and the Board (excluding Mr. Xie, Ms. Huang and Mr. Fan) are of the view that Mr. Xie remains suitable to continue to act as the chairman and executive director of the Company, in particular, that he has the requisite characters, skills and integrity to meet his fiduciary duties under Rules 3.08 and 3.09 for the reasons set out below:

- To the best knowledge, information and belief of the Nomination Committee and the Board (excluding Mr. Xie, Ms. Huang and Mr. Fan) the aforesaid incidents which were the subject of the two Decision Letters (the "**Incidents**") did not involve any dishonesty, fraudulent or integrity issue on the part of Mr. Xie;
- Mr. Xie's has extensive business experience, industry knowledge and connections are valuable to the Group;
- To the best knowledge, information and belief of the Nomination Committee and the Board (excluding Mr. Xie, Ms. Huang and Mr. Fan), Mr. Xie has no previous record of any other administrative penalties imposed by the CSRC and other regulatory authorities in the PRC (including Hong Kong and Singapore); and
- At the material time where the Incidents occurred, Mr. Xie was not involved in the day-to-day operations of the Group.

Mr. Xie has confirmed with the Company that, as of the date of this announcement, save as disclosed herewith, there is no information about Mr. Xie that needs to be disclosed pursuant to the requirements of the Listing Rules and there are no other matters concerning Mr. Xie to be brought to the attention of the shareholders of the Company.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (“SEHK”) had 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 issued by the SEHK and the grant of approval of the SEHK for the resumption of trading of the shares.

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.

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

Hong Kong/Singapore, July 9, 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.