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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)

RESPONSES TO QUERY
FROM SINGAPORE EXCHANGE REGULATION PERTAINING TO
UPDATE ON DIRECTOR'S INFORMATION

Willas-Array Electronics (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) has received a query (the “**Query**”) from Singapore Exchange Regulation (“**SGX RegCo**”) on June 19, 2025 in relation to letters issued by the China Securities Regulatory Commission to the Company’s substantial shareholder, Shanghai YCT Electronics Group Co., Ltd and the Company’s Chairman and Executive Director, Mr Xie Lishu. The Query and the Company’s responses to the Query are set out in full as follows.

SGX RegCo’s Query:

It has come to our attention that Shanghai YCT Electronics Group Co., Ltd (“Shanghai YCT”) received 2 warning letters from the China Securities Regulatory Commission (“CSRC”) in February 2024 and August 2024 for violations of securities law. Mr. Xie Lishu (“Mr. Xie”), as Chairman and General Manager of Shanghai YCT, was a subject of the August 2024 warning letter and held responsible for Shanghai YCT’s actions. These findings are inconsistent with the Company’s announcement on 21 October 2024 (“Announcement”) regarding the re-designation of Mr. Xie to Executive Director, wherein Mr. Xie had declared “no” to all questions (a) to (k). Please provide the following clarifications:

- (a) *Did Mr. Xie disclose the CSRC warnings to the Board and the Nominating Committee (“NC”)? If he did, why was this information not included in the Announcement?*

- (b) *What due diligence steps did the NC take to verify the information provided by Mr. Xie and/or his declarations?*
- (c) *What is the Board's and the NC's assessment of the impact of the CSRC warnings on Mr. Xie's suitability as a director of the Company? Please provide the bases for the Board's and the NC's opinions.*

Company's Response:

Response to Query (a):

Mr. Xie disclosed to the Board and the NC the letter received from CSRC in February 2024 ("**CSRC Feb 2024 Letter**") but not the letter received from CSRC in August 2024 ("**CRSC Aug 24 Letter**").

Mr. Xie had explained to the NC (1) the circumstances leading to the CSRC Feb 2024 Letter, and (2) that he consulted practicing lawyers from the People's Republic of China ("**PRC**") on the nature and severity of the CSRC Feb 2024 Letter. The NC understood that the CSRC Feb 2024 Letter arose from (a) an inaccuracy in disclosure pertaining to the usage of funds raised by Shanghai YCT Electronics Group Co., Ltd ("**Shanghai YCT**") and its subsidiaries as at 30 September 2024 as evidenced by Shanghai YCT's announcements dated 10 November 2023 and 10 January 2024, and (b) Shanghai YCT's actual usage of the funds raised deviated from the intended usage of the raised funds as described in the fund raising document. Mr. Xie, being the Chairman of the Board of Directors and General Manager of Shanghai YCT, is deemed as a key management personnel of Shanghai YCT and hence received the CSRC Feb 24 Letter.

The NC further understood that the PRC lawyers have advised Mr. Xie that while the CSRC Feb 2024 Letter constitutes an administrative measure which may be deployed by the relevant PRC regulatory authorities, it does not constitute an administrative penalty which includes a warning letter pursuant to PRC law. PRC lawyers further clarified that pursuant to the relevant disclosure regulations governing PRC listed companies, it is stated that administrative penalties should only be imposed when contraventions of disclosure regulations are deemed to be of sufficient severity, clearly indicating the PRC authorities' intention to distinguish between administrative measures and administrative penalties. Accordingly, Mr. Xie understood from the PRC lawyers that the CSRC Feb 24 Letter 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*" and did not declare and/or referred to the CSRC Feb 24 Letter in his appointment announcement dated 21 October 2024.

After receiving SGX-ST queries as set out herein, the NC was made aware of the CSRC Aug 24 Letter and sought an explanation from Mr. Xie. Mr. Xie explained that he had also received the same advice pertaining to the CSRC Aug 24 Letter from the PRC lawyers and therefore, he did not declare and/or make reference to the CSRC Aug 24 Letter in his appointment announcement dated 21 October 2024.

Response to Query (b):

The NC had requested for and perused copies of the documents relating to the CSRC Feb 24 Letter. As mentioned above, the NC also requested Mr. Xie to explain the circumstances relating to the CSRC Feb 24 Letter. After perusing Mr. Xie's completed declaration form in respect of his re-designation and considering the legal advice given to Mr. Xie by the PRC lawyers, the NC also requested the Company's Management to obtain a copy of the written legal opinion from the PRC lawyers

Response to Query (c):

After perusing and/or considering all information pertaining to the CSRC Feb 24 Letter and the CSRC Aug 24 Letter, Mr. Xie's explanations and the PRC legal opinion, to the best knowledge of the NC and the Board (excluding Mr. Xie and Ms. Huang), the matters which led to the CSRC Feb 24 Letter and the CSRC Aug 24 Letter did not involve any act of dishonesty or fraud or lack of integrity on the part of Mr. Xie.

The NC noted that the CRSC Aug 24 Letter pertained to the discrepancies in Shanghai YCT's consolidated financial results for half year 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. In particular, the NC further noted that Shanghai YCT had actually referred to the aforesaid difficulties and included statements which warned of possible risks in its financial statements but these were not deemed sufficient by the PRC regulatory authorities and hence the CSRC Aug 24 Letter was issued to Mr. Xie in his capacity as Chairman of the Board of Directors and General Manager of Shanghai YCT.

After due and careful consideration by the NC and the Board (excluding Mr. Xie and Ms. Huang) of the aforesaid facts and information, as well as the character, past compliance track record, capability, industry knowledge, experience and integrity of Mr. Xie as a whole and/or displayed during Mr. Xie's tenure as an Non-Executive Director of the Group at the material time (from 20 May 2023 to 20 October 2024), and taking into account that the two CSRC Letters have not had any adverse impact on the operations of the Company and the Group, the NC and the Board (excluding Mr. Xie and Ms. Huang) are 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 of the Company.

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

Hong Kong/Singapore, June 27, 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.