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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 SUBSTANTIAL AND RELEVANT QUESTIONS
RECEIVED FROM SHAREHOLDERS IN RESPECT OF THE
ANNUAL GENERAL MEETING TO BE HELD ON JUNE 27, 2025**

The board of directors (the “**Board**”) of Willas-Array Electronics (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to (i) the circular of the Company dated June 4, 2025 (the “**Circular**”) and (ii) the notice of the annual general meeting of the Company dated June 4, 2025 (the “**Notice**”), in particular, the invitation to Shareholders to submit questions in advance of the annual general meeting of the Company to be held on June 27, 2025.

Unless the context otherwise requires, capitalised terms used in this announcement have the same meaning as defined in the Circular.

The Company sets out herein the substantial and relevant questions that it has received from Shareholder(s) as at 5:00 p.m. on June 13, 2025 and the accompanying responses of the Company. Shareholders should note that the questions are not reproduced verbatim and have been paraphrased for greater clarity.

Questions from Shareholder(s)

1.	<p><i>In the annual report of the Company for the nine months ended December 31, 2024 (the “Annual Report”), in respect of the inventories on page 14, there is a targeted effort to clear slow moving inventory, does this mean steep discount in selling price and/or write off ? What was the actual impact on the Net profit from the above?</i></p>
	<p><i>Company’s response to Question 1:</i></p> <p>The actual impact of the write off was stated in the Annual Report on page 10: The impairment of inventories decreased significantly to HK\$26.1 million in the nine months ended December 31, 2024, compared to HK\$83.4 million in the preceding financial year.</p> <p>Our products are currently under pressure due to keen competition in the market. This competitive landscape may influence pricing strategies, including the potential for discounts. Management is committed to working closely to tackle market competition issues and will continuously seek effective strategies to enhance our market position.</p>
2.	<p><i>In the Annual Report, in respect of the gross profit on page 6, the gross profit is about 9% for 2021 to 2023 and then plunged to 3% in 2024. Can the Chairman explain:</i></p> <p>(a) <i>Why the gross profit sudden plunged from 9% to 3%?</i></p> <p>(b) <i>With the refreshed Board now, the gross profit margin is currently stabilised at more than 3% through cost cutting measures as mentioned on page 13. What are the plans to raise gross profit back to 9% or more?</i></p>
	<p><i>Company’s response to Question 2:</i></p> <p>(a) The reason for the sudden drop in gross profit was stated in the Annual Report on page 14: The Group’s gross profit margin significantly narrowed to 3.8% in FY2024 from 8.9% in FY2023. The lower margin was mainly due to (i) intense competition among suppliers for market share, which resulted in price wars; (ii) the stock provision of HK\$83.4 million for slow-moving inventories.</p> <p>(b) As stated in the Annual Report on page 9, the Chairman stated that:</p> <p>According to the forecast from the World Semiconductor Trade Statistics (WSTS), the global semiconductor market is expected to see a general growth in 2025, with an estimated growth rate of 11.2%, and the global market valuation is expected to reach US\$697 billion. In particular, the Asia Pacific region, being a key part of the global semiconductor industry, is expected to record a 10.4% year-on-year increase in revenue.</p>

	<p>Among various driving factors, the national consumer subsidy policy represents a key force in boosting consumer electronics demand. For example, in the sectors like mobile phones, computers, home appliances and new energy vehicles, the subsidy policy has worked well. In the meantime, the preferential policy for domestic alternatives has provided development opportunities for the domestic semiconductor industry that have never been seen before.</p> <p>Relying on the current domestic and international situation, we will capture market opportunities in Automotive and Home Appliances segments. Boosted by the consumer subsidy policy, these two segments are experiencing robust growth. The Company will intensify its market expansion efforts, to launch suitable products and solutions. Meanwhile, we will introduce domestic production lines to increase localisation rate, reduce costs, and enhance product competitiveness, explore new customers and increase our market share, thus generating driving forces for the Company's sustainable development.</p>
3.	<p><i>In Chairman's message, he had identified the key contributing segments and his focus on these contributing segments going forward. For the non-contributing segments, has the Board decided on what to do for them? Sell off and focus on the key segments?</i></p>
	<p><i>Company's response to Question 3:</i></p> <p>As stated in the Annual Report on page 9, the Chairman stated that:</p> <p>In respect of all other business segments experiencing weak demand, we will closely follow the policy directions, realise efficient allocation of resources, help the Company expand businesses and make breakthroughs rapidly, and reshape the growth trend of other business segments, injecting new vitality into the overall performance improvement of the Company.</p>
4.	<p><i>Since the Company is changing the accounting reporting period to ending December, can Mr. Fan provide the few Key Financial indicators below for 12 months ending 2023 vs 12 months ending 2024?</i></p> <ul style="list-style-type: none"> <i>– Sales</i> <i>– Gross Profit</i> <i>– Net Profit</i> <i>– Total Assets</i> <i>– Gearing ratio</i> <i>– Current ratio</i> <i>– EPS</i> <i>– NAV per share</i> <p><i>The current comparison of nine months ending December 2024 vs FY2023 is very confusing and can be misleading.</i></p>

	<p><i>Company’s response to Question 4:</i></p> <p>As stated in our announcement “UPDATE ANNOUNCEMENT ON THE COMPLETION OF AUDITING PROCESS OF THE FINAL RESULTS FOR THE NINE MONTHS ENDED DECEMBER 31, 2024” dated May 21, 2025 on page 11, under note 2 – Principal Accounting Policies:</p> <p>During the period, the Group changed its financial year ended date from March 31 to December 31 to align with the financial year end of its ultimate controlling shareholder, Shanghai YCT, following the close of the voluntary unconditional cash offers made by Texin as announced by the Company on September 27, 2024. The current period of consolidated financial statements covers a nine-month period ended December 31, 2024 and the comparative financial statements covers a twelve-month period ended March 31, 2024. The comparative amounts are therefore not entirely comparable.</p> <p>The above key financial indicators can only be presented in nine months for the period ended December 31, 2024 and the comparative financial statements cover a twelve-month period ended March 31, 2024, which has been reviewed by audit committee and our Company’s auditors.</p>
5.	<p><i>In the Annual Report, in respect of the board of directors on page 19, for cost cutting, perhaps the Chairman can look into reducing the size of the Board which is too big for the Company size.</i></p>
	<p><i>Company’s response to Question 5:</i></p> <p>According to Provision 2.2 of the Singapore CG Code, if the chairman is not independent, the independent directors should make up a majority of the board. As the current Board has 7 directors, we have to maintain at least 4 independent non-executive directors. The current size of the Board is appropriate for the Group’s management and compliance with the Singapore CG Code.</p>

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

Hong Kong/Singapore, June 20, 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.