THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all of your shares in the capital of the Company held through CDP, you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee.

If you have sold or transferred all your shares in the capital of the Company otherwise held, you should at once forward this Circular and the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Singapore Exchange Securities Trading Limited take no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

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)

(1) REVISION OF ANNUAL CAPS
(2) THE PROPOSED ADOPTION OF A GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS
AND
(3) NOTICE OF SGM

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in Hong Kong

FRONTPAGE 富比

Frontpage Capital Limited

Independent Financial Adviser to the Independent Board in Singapore

STIRLING COLEMAN 施霖高诚

Stirling Coleman Capital Limited
(Company Registration No. 200105040N)
(Incorporated in the Republic of Singapore)

Capitalised terms used in this Circular (including the cover page) shall have the respective meanings as ascribed to them in the section headed "Definitions" of this Circular unless otherwise defined or the context otherwise requires.

Please refer to the section headed "SGM and Proxy Arrangement" of this Circular for further information, including the steps to be taken by Shareholders (and their duly appointed proxy (or proxies)) to participate at the SGM.

November 11, 2026

CONTENTS

Page

DEFINITIONS 1

LETTER FROM THE BOARD 8

LETTER FROM THE INDEPENDENT BOARD COMMITTEE 36

LETTERS FROM THE INDEPENDENT FINANCIAL ADVISERS 38

APPENDIX I: GENERAL INFORMATION 74

NOTICE OF SPECIAL GENERAL MEETING SGM-1

This Circular is prepared in English and translated into Chinese. In the event of inconsistency, the English text of this Circular will prevail.

In this Circular and its appendices, unless otherwise defined or the context otherwise requires, the following expressions have the following respective meanings:

"2025 Master Supply Framework Agreement"	the agreement entered into between the Company and Shanghai YCT on January 1, 2025, for a term ending on December 31, 2025, pursuant to which the Group agreed to supply semi-conductor electronic component products to Shanghai YCT Group;
"2026 Master Purchase Framework Agreement"	the agreement entered into between the Company and Shanghai YCT on January 1, 2026, for a term ending on December 31, 2026, pursuant to which the Group agreed to purchase semi-conductor electronic component products from Shanghai YCT Group;
"2026 Master Supply Framework Agreement"	the agreement entered into between the Company and Shanghai YCT on January 1, 2026, for a term ending on December 31, 2026, pursuant to which the Group agreed to supply semi-conductor electronic component products to Shanghai YCT Group;
"Abstained Directors"	Mr. Xie Lishu, the Chairman and an executive Director, and Ms. Huang Shaoli, a non-executive Director;
"AGM"	the annual general meeting of the Company;
"Approving Executives"	being such senior executive(s) of the Company designated by the Audit Committee from time to time to approve Mandated Transactions in accordance with the approval thresholds as set out in Section 11.6.3 of this Circular, provided that each such senior executive(s) are/is a person who are/is unrelated to the Mandated Interested Persons and have no interest, direct or indirect, in the Mandated Transaction. As at the Latest Practicable Date, the "senior executives" refer to the General Manager, Assistant General Manager or Product Manager of the Sales and Marketing Department;
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules and/or the SGX-ST Listing Manual (as the context may require);
"Audit Committee"	the audit committee of the Company, comprising Lau Chin Huat, Chong Eng Wee, Tso Sze Wai and Jiang Maolin as at the Latest Practicable Date;
"Bermuda Companies Act"	the Companies Act 1981 (as amended) of Bermuda, as amended, supplemented or modified from time to time;
"Board"	the board of Directors;
"Bye-Laws"	the Bye-Laws of the Company, as amended, supplemented or modified from time to time;

"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC;
"CDP"	The Central Depository (Pte) Limited;
"Circular"	this circular dated November 11, 2026;
"Company"	Willas-Array Electronics (Holdings) Limited (威雅利電子(集團)有限公司), an exempted company incorporated in Bermuda with limited liability whose issued Shares are listed and traded on the Main Board of the Hong Kong Stock Exchange (stock code: 854) and the Mainboard of the SGX-ST (stock code: BDR);
"control"	the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
"Director(s)"	the director(s) of the Company;
"Financial Limit"	equal to or exceeding S$100,000 but in any case below 5% of the Group's latest announced audited consolidated NTA at the time of entry into the relevant Mandated Transaction;
"Group"	the Company and its subsidiaries;
"HK IFA"	Frontpage Capital Limited (富比資本有限公司), a company licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders;
"HK IFA Letter"	the letter dated November 11, 2026 issued by the HK IFA to the Independent Board Committee and the independent Shareholders containing the opinion and recommendation of the HK IFA in respect of the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed and the transactions contemplated thereunder;
"HKSCC"	Hong Kong Securities Clearing Company Limited;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Hong Kong Branch Register"	the Hong Kong branch register of members of the Company maintained by Boardroom Share Registrars (HK) Limited;

"Hong Kong Companies Ordinance"	the Companies Ordinance (Chapter 622 of the laws of Hong Kong), as amended, supplemented or modified from time to time;
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented or modified from time to time;
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Independent Board Committee"	the committee of the Board comprising Chong Eng Wee, Lau Chin Huat, Tso Sze Wai and Jiang Maolin, all being independent non-executive Directors, formed to advise the Independent Shareholders in respect of the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed and the transactions contemplated thereunder;
"Independent Financial Advisers"	the HK IFA and SG IFA, the independent financial advisers in Hong Kong and Singapore appointed by the Company in connection with the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed, the transactions contemplated thereunder and the Proposed IPT General Mandate;
"Independent Shareholders"	the Shareholders who are not required to abstain from voting in respect of the ordinary resolutions proposed for approval at the SGM pursuant to the Hong Kong Listing Rules and the SGX-ST Listing Manual;
"Latest Practicable Date"	November 6, 2026 being the latest practicable date prior to the finalisation of this Circular for ascertaining certain information contained herein;
"Mandated Interested Persons"	the interested persons to be covered under the Proposed IPT General Mandate as set out in Section 11.4 of this Circular;
"Mandated Transactions"	the categories of interested person transactions which will be covered by the Proposed IPT General Mandate, being the purchase and/or sale of semi-conductor electronic component products contemplated pursuant to the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) and the 2026 Master Purchase Framework Agreement (as proposed to be amended by the Supplemental Purchase Deed);
"Memorandum"	the Memorandum of Association of the Company as amended, supplemented or modified from time to time;
"Notice"	the notice of the SGM;

"NTA"	net tangible assets;
"Original Supply Annual Cap"	the original annual cap of the transactions under the 2026 Master Supply Framework Agreement for the year ending December 31, 2026;
"PRC" or "China"	the People's Republic of China, which for the purpose of this circular shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
"President"	the president, who oversees the sales and marketing department of the Company;
"Principal Register"	the principal register of members of the Company in Bermuda, maintained by the Principal Registrar;
"Principal Registrar"	Ocorian Management (Bermuda) Limited of Victoria Place, 5/F, 31 Victoria Street, Hamilton HM10, Bermuda, the Bermuda principal share registrar of the Company;
"Proposed IPT General Mandate"	the Shareholders' general mandate pursuant to Chapter 9 of the SGX-ST Listing Manual permitting the Company, its subsidiaries and associated companies who are considered to be "entities at risk" under Chapter 9 of the SGX-ST Listing Manual or any of them, to enter into Mandated Transactions with the Mandated Interested Persons, such general mandate proposed to be obtained from Independent Shareholders at the SGM. For the avoidance of doubt, the Mandated Transactions comprise the purchase and/or sale of semi-conductor electronic component products contemplated pursuant to the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) and the 2026 Master Purchase Framework Agreement (as proposed to be amended by the Supplemental Purchase Deed);
"Register of Members"	any of the Principal Register, the Hong Kong Branch Register and the Singapore Branch Register;
"Revised Supply Annual Caps"	the proposed annual caps of the transactions under the 2026 Master Supply Framework Agreement for the three years ending December 31, 2028;
"Securities Account"	a securities account maintained by a depositor with CDP, but does not include a securities sub-account maintained with a depository agent;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or modified from time to time;

"SG IFA"	Stirling Coleman Capital Limited, a company holding a capital markets services license issued pursuant to the Securities and Futures Act 2001 for Singapore for the regulated activities of advising on corporate finance and dealing in capital markets products, appointed as the independent financial adviser to the Company in Singapore;
"SG IFA Letter"	The letter dated November 11, 2026 issued by the SG IFA to the independent Directors and the Audit Committee containing the opinion and recommendation of the SG IFA in respect of the adoption of the Proposed IPT General Mandate;
"SGM"	the special general meeting of the Company to be convened to approve, among other matters, the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed, the transactions contemplated thereunder, and the adoption of the Proposed IPT General Mandate;
"SGX-ST"	Singapore Exchange Securities Trading Limited;
"SGX-ST Listing Manual"	the Mainboard rules of the listing manual of the SGX-ST, as amended, supplemented or modified from time to time;
"Shanghai YCT"	Shanghai YCT Electronics Group Co., Ltd. (上海雅創電子集團股份有限公司), a joint stock limited company established in the PRC which is owned as to approximately 53.38% by Mr. Xie Lishu and parties acting in concert with him as at the Latest Practicable Date, and the shares of which are listed on the Shenzhen Stock Exchange (Stock Code: 301099). Shanghai YCT indirectly wholly owns Texin which directly owns 74.72% of the total issued share capital of the Company. Mr. Xie Lishu, the Chairman and Executive Director of the Company, is the controlling shareholder of Shanghai YCT, and is deemed to be interested in the 76,955,745 Shares held by Texin;
"Shanghai YCT Group"	Shanghai YCT and its subsidiaries but excluding the Group;
"Share(s)"	share(s) of par value of HK$1.00 each in the share capital of the Company;
"Shareholder(s)"	registered holder(s) of the Share(s), except that (a) where the registered holder is CDP, the term "Shareholder(s)" shall, in relation to such Shares and where the context so admits, mean the depositors in the Depository Register maintained by CDP and to whose Securities Accounts are credited with those Shares; and (b) where the registered holder is HKSCC, the term "Shareholder(s)" shall, in relation to such Shares and where the context so admits, mean the depositors whose securities accounts are maintained by HKSCC or other licensed securities dealers or registered institutions in securities, or custodian banks through CCASS, and the term "Shareholder(s)" shall be construed accordingly;

"Singapore Branch Register"	the Singapore branch register of members maintained by the Company;
"Singapore Companies Act"	the Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time;
"Singapore Share Transfer Agent"	the Company's share transfer agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd.;
"subsidiary"	a company which is for the time being and from time to time a subsidiary of the Company (within the meaning of the Singapore Companies Act, the Hong Kong Listing Rules and the Hong Kong Companies Ordinance);
"subsidiary holdings"	has the meaning ascribed to it in the SGX-ST Listing Manual;
"Substantial Shareholder"	a person who has an interest in 5% or more of the voting Shares (excluding treasury shares) of the Company;
"Supplemental Purchase Deed"	the supplemental deed entered into between the Company and Shanghai YCT dated June 23, 2026, amending the terms of the 2026 Master Purchase Framework Agreement, the principal terms of which were announced by the Company on June 23, 2026;
"Supplemental Supply Deed"	the supplemental deed entered into between the Company and Shanghai YCT dated June 23, 2026, amending the terms of the 2026 Master Supply Framework Agreement;
"Texin"	Texin (Hongkong) Electronics Co. Limited (香港雅創台信電子有限公司), a company incorporated in Hong Kong with limited liability, which currently owns 76,955,745 Shares, representing 74.72% of the issued share capital of the Company as at the Latest Practicable Date and is indirect wholly-owned by Shanghai YCT;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"S$"	Singapore dollars, the lawful currency of Singapore; and
"%"	per cent. or percentage.

The terms "depositor", "depository agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore in force as at the Latest Practicable Date.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall not affect the construction of this Circular.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any reference in this Circular to any law or regulation (or any provision thereof), including the Bermuda Companies Act, the Hong Kong Companies Ordinance and the Singapore Companies Act (or any provision thereof), is a reference to such law or regulation (or provision) in force as at the Latest Practicable Date. Any term defined in the Hong Kong Listing Rules, the SGX-ST Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Hong Kong Listing Rules, SGX-ST Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time and Hong Kong time, as the case may be, unless otherwise stated.

In this Circular, unless the context otherwise requires, amounts denominated in HK$ have been converted to S$ at the rate of S$1 = HK$6.105 for the purpose of illustration. Such exchange rates are for illustration purposes only and do not constitute representations that any amount in HK$ or S$ have been, could have been or may be converted at such rate.

Matthew Chiong Partnership is the Singapore legal adviser to the Company in relation to the Circular. CFN Lawyers LLP in is the Hong Kong legal adviser to the Company in relation to the Circular.

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)

Executive Director:
Xie Lishu *(Chairman)*

Non-executive Director:
Huang Shaoli

Independent Non-executive Directors:
Chong Eng Wee
Lau Chin Huat
Tso Sze Wai
Jiang Maolin

Registered Office:
Victoria Place, 5/F
31 Victoria Street
Hamilton HM10
Bermuda

Head Office and Principal Place of Business:
24/F, Wyler Centre, Phase 2
200 Tai Lin Pai Road
Kwai Chung, New Territories
Hong Kong

November 11, 2026

To the Shareholders

Dear Sir and Madam

(1) REVISION OF ANNUAL CAPS
(2) THE PROPOSED ADOPTION OF A GENERAL MANDATE FOR INTERESTED PERSONS TRANSACTIONS
AND
(3) NOTICE OF SGM

1. INTRODUCTION

Reference is made to the announcements of the Company dated June 23, 2026 and October 29, 2026 in relation to the revision of annual caps for previously fully exempt continuing connected transactions.

The purpose of this Circular is to provide you with further information on, among other things, (i) the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee relating to the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the transactions contemplated thereunder; (iii) the advice of the HK IFA in respect of the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the transactions contemplated thereunder; (iv) the adoption of the Proposed IPT General Mandate; (v) the advice of the SG IFA in respect of the adoption of the Proposed IPT General Mandate; and (vi) other information as required under the Hong Kong Listing Rules and the SGX-ST Listing Manual together with the Notice.

The Notice setting out the resolutions which will be proposed for Shareholders to consider and, if thought fit, approve, is also set out on pages SGM-1 to SGM-4 of this Circular.

2. BACKGROUND

Following the expiry of the 2025 Master Supply Framework Agreement on December 31, 2025, on January 1, 2026, the Company and Shanghai YCT have entered into the 2026 Master Supply Framework Agreement, pursuant to which the Company agreed, for and on behalf of the Group, to supply, and Shanghai YCT agreed, for and on behalf of the Shanghai YCT Group, to purchase certain semi-conductor electronic component products from time to time from the date of the agreement to December 31, 2026. The transactions contemplated thereunder constituted fully exempt continuing connected transactions for the Company at the relevant time based on the Original Supply Annual Cap.

After taking into account the actual transaction amounts and the expected business needs of the Group for the remaining term, the Company expects that the Original Supply Annual Cap shall no longer meet the needs of the Group and shall soon be exceeded. In view of the above, on June 23, 2026 (after trading hours), the Company and Shanghai YCT entered into the Supplemental Supply Deed to (i) increase the Original Supply Annual Cap to the Revised Supply Annual Caps; and (ii) extend the term of the 2026 Master Supply Framework Agreement from one year to three years ending December 31, 2028.

3. 2026 MASTER SUPPLY FRAMEWORK AGREEMENT (AS PROPOSED TO BE AMENDED) AND THE REVISED SUPPLY ANNUAL CAPS

Details of the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) are as follows:

Date:	January 1, 2026 (2026 Master Supply Framework Agreement)
	June 23, 2026 (Supplemental Supply Deed)
Parties:	The Group as the supplier; and
	Shanghai YCT Group as the purchaser

Nature of the transaction:	Subject to the terms and conditions of the 2026 Master Supply Framework Agreement and each relevant sales order, the Group agrees to supply to the Shanghai YCT Group a variety of semi-conductor electronic component products from time to time during the effective term of the 2026 Master Supply Framework Agreement The supply by the Group of semi-conductor electronic component products contemplated pursuant to the 2026 Master Supply Framework Agreement are transactions which are in the normal course of business of the Group. The Company understands that Shanghai YCT Group's purchase of semi-conductor electronic component products pursuant to the 2026 Master Supply Framework Agreement are also transactions which are in the normal course of business of the Shanghai YCT Group. For information on the business of the Group and Shanghai YCT Group, please refer to Sections 8.1 and 11.2.1 (for information on the Group) and Sections 8.2 and 11.4 (for information on the Shanghai YCT Group)
Effective term:	The effective term of the 2026 Master Supply Framework Agreement (as amended by the Supplemental Supply Deed) will commence from the date of conclusion of the SGM to December 31, 2028 (both days inclusive)
Condition Precedent:	The Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and transactions contemplated thereunder are conditional upon obtaining the necessary approval and consent under the Hong Kong Listing Rules and the SGX-ST Listing Manual, which includes the approval by the Independent Shareholders at the SGM

3.1. Pricing policy

The prices of the semi-conductor electronic component products will be determined on a cost-plus basis, which is determined by the costs of the products plus a mark-up to be agreed upon in accordance with the Company's usual business practices and pricing policy.

The mark-up applied to the sales of products to the Shanghai YCT Group shall be determined with reference to the mark-up charged by the Group to independent third-party customers for identical products or, where such direct comparables are not available, for products of comparable quality, specifications and quantities. In all cases, the mark-up applied to products offered to Shanghai YCT Group shall be not less favourable than those offered to independent third-party customers for similar products.

In the event that comparable products are not available from historical transactions offered to independent third-party customers, the mark-up will be determined with reference to the published market selling prices or quotes of comparable products obtained from independent electronic component distributors, online platforms, or suppliers.

In determining the pricing, the Group shall also take into account the direct costs of the semi-conductor electronic component products acquired by the Group. The mark-up is generally subject to a minimum of approximately 1.5%, while the overall mark-up is estimated to be in the range of approximately 6.9% to 16.6%, having regard to the (i) gross profit margin of historical transactions involving the supply of similar semi-conductor electronic component products to other independent third party customers; and (ii) the credit terms on which the products are supplied.

In order to ensure the terms of sales are in line with prevailing market rates and conditions, the Group will compare the selling prices of at least two comparable transactions involving semi-conductor electronic component products (or, where such transactions are not available, similar products) sold to independent third party customers, not less frequently than on a quarterly basis. The Group shall have the right to accept or reject the purchase transactions from Shanghai YCT Group after taking into account the Group's interests in undertaking the purchase transactions. The transactions shall be settled at such time and in such manner as specified in the relevant sales orders.

3.2. Historical amounts and annual cap

Historical amounts

	For the year ended March 31, 2024 *(HK$'000)*	**For the nine months ended December 31, 2024** [(1)] *(HK$'000)*	**For the year ended December 31, 2025** *(HK$'000)*
Provision of semi-conductor electronic component products	265	2,725	7,523

Historical and Original Annual Caps

	For the year ended December 31, 2025 *(HK$'000)*	**For the year ending December 31, 2026** *(HK$'000)*	**Original Supply Annual Cap as a percentage of the latest audited NTA of the Group** [(2)] *(%)*
Provision of semi-conductor electronic component products	7,900	2,999	0.59

Notes:

(1) Pursuant to the announcement of the Company dated October 21, 2024, the Company had resolved to change the financial year end date of the Company from March 31st to December 31st on October 21, 2024.

(2) Based on the Group's latest audited consolidated financial statements as at December 31, 2025, the latest audited NTA of the Group is approximately HK$507,424,000.

3.3. Revised Supply Annual Caps and basis of determination

	For the year ending December 31, 2026 *(HK$'000)*	For the year ending December 31, 2027 *(HK$'000)*	For the year ending December 31, 2028 *(HK$'000)*	Proposed annual cap for each year as a percentage of the latest audited NTA of the Group *(Note)* *(%)*
Provision of semi-conductor electronic component products	70,000	70,000	70,000	13.80

Note: Based on the Group's latest audited consolidated financial statements as at December 31, 2025, the latest audited NTA of the Group was approximately HK$507,424,000.

Save for the Revised Supply Annual Caps and the effective term of the agreement, all other terms and conditions of the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) remain unchanged.

3.4. Basis of the Revised Supply Annual Caps

The Revised Supply Annual Caps have been determined with reference to (i) the transaction amount for the five months ended May 31, 2026 of approximately HK$2.9 million; (ii) the industry's steady recovery since early 2025, driven by the shortage of mid-to-high-end chips in the new energy vehicles and industrial control sectors and robust demand from high-growth segments such as artificial intelligence servers and optical modules, which have contributed to a significant increase in demand for the Group's products, as well as the projected and anticipated demand from Shanghai YCT Group for the Group's semi-conductor electronic component products for the remaining term of the 2026 Master Supply Framework Agreement, taking into account actual orders of approximately HK$24.8 million as of May 31, 2026, which has not yet been transacted or completed as at that date and deriving an annualised estimate of approximately HK$66 million by projecting the aggregate of the HK$2.9 million and the HK$ 24.8 million over a five month period to a full year period; and (iii) a buffer of approximately 6% to cater for possible exchange rate fluctuations between Renminbi and Hong Kong dollars, as the Group's reporting currency for its financial statements is in Hong Kong dollars. Such buffer was determined with reference to the historical fluctuation of the Renminbi/Hong Kong dollar exchange rate during 2025, which exhibited a peak-to-trough movement of approximately 5.4%, and was rounded up to 6% as a prudent allowance for potential future exchange rate fluctuations.

The historical transaction amount for the year ended December 31, 2025 of approximately HK$7.52 million does not fully reflect the actual demand for the relevant products. In determining the supply annual cap for the year ended December 31, 2025, the Company took into account the applicable thresholds under Chapter 9 of the SGX-ST Listing Manual and the aggregate value of all other interested person transactions (excluding transactions which are less than S$100,000) entered into or expected to be entered into with the Shanghai YCT Group during the year. As a result, approximately HK$7.9 million was allocated to the supply annual cap for the year ended December 31, 2025. Accordingly, the historical transaction amount is principally reflective of such allocation, rather than the actual business demand for the relevant products. The Revised Supply Annual Caps will therefore be a more accurate reflection of the expected actual demand as described above.

4. REASONS AND BENEFITS OF ENTERING INTO THE 2026 MASTER SUPPLY FRAMEWORK AGREEMENT AND THE REVISED SUPPLY ANNUAL CAPS

Following the expiry of the 2025 Master Supply Framework Agreement, the Independent Board (for the avoidance of doubt, excluding the Abstained Directors who have abstained from deliberating, considering and approving the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed)) has assessed the outcome of the transactions contemplated thereunder and considered that the transactions were carried out in a satisfactory manner and complied with the internal control measures implemented.

The Independent Board also continued to monitor the latest market developments and the financial position of the Group following the expiry of the 2025 Master Supply Framework Agreement. In assessing the 2026 Master Supply Framework Agreement, the Independent Board considered the Group's improved financial performance in 2025, including a 6.2% increase in revenue in the dealer segment as compared with the nine months ended December 31, 2024, which was partly attributable to the improvement in inventory turnover time. The inventory turnover days significantly decreased to 1.9 months as at December 31, 2025, from 2.2 months as at December 31, 2024. The Independent Board also noted the strengthening of the Group's financial position, as reflected by the reduction in its net gearing ratio from 139.9% as at December 31, 2024 to 94.0% as at December 31, 2025. In light of the foregoing, the Independent Board considers that the 2026 Master Supply Framework Agreement will continue to provide the Group with an additional and readily accessible sales channel through the Shanghai YCT Group's established customer network thereby complimenting the Group's existing sales channels. The Independent Board further notes that the Group maintains a diversified customer base across multiple industry sectors and multiple sales channels independent of the Shanghai YCT Group, and continues to expand its customer base and explore new market opportunities through the optimisation of its product mix. Accordingly, the Independent Board does not consider that the transactions contemplated under the 2026 Master Supply Framework Agreement would result in any material reliance by the Group on the Shanghai YCT Group. In reaching this view, the Independent Board has taken into account that revenue generated from the continuing connected transactions represented only approximately 5.2% of the revenue of the dealer segment and approximately 0.32% of the Group's total revenue for the year ended December 31, 2025. Although the proposed Revised Supply Annual Caps represent a significant increase over the Original Supply Annual Cap and the historical transaction amounts, the Independent Board notes that the historical annual caps were set at a relatively low level and did not fully reflect the Group's current business prospects and market opportunities. The Revised Supply Annual Caps are intended to accommodate the anticipated growth in transaction volume and enable the Group to capture additional sales opportunities through the Shanghai YCT Group.

The Independent Board further considers that the 2026 Master Supply Framework Agreement will enhance the Group's flexibility in responding to recovering market demand and support the continued optimisation of inventory levels and turnover days. In addition, the entry into the 2026 Master Supply Framework Agreement is expected to also generate additional revenue for the Group and strengthen the Group's ability to cope with the competitive market environment. Accordingly, the Independent Board is of the view that the 2026 Master Supply Framework Agreement represents a valuable commercial opportunity for the Group and is in the interests of the Company and its shareholders as a whole.

After taking into account the actual transaction amounts and the expected business needs of the Group for the remaining term, the Company expects that the Original Supply Annual Cap shall no longer meet the needs of the Group and shall soon be exceeded. In view of the above, on June 23, 2026 (after trading hours), the Company and Shanghai YCT entered into the Supplemental Supply Deed to (i) increase the Original Supply Annual Cap to the Revised Supply Annual Caps; and (ii) extend the term of the 2026 Master Supply Framework Agreement from one year to three years ending December 31, 2028.

The Independent Board considers that the terms of the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) and the Revised Supply Annual Caps are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms or better and are entered into in the ordinary and usual course of business of the Group and are in the interests of the Company and its Shareholders as a whole.

Pursuant to Rule 920(1) of the SGX-ST Listing Manual, the Proposed IPT General Mandate is subject to annual renewal. If approved at the SGM, it will remain in force until the next AGM (or the date by which it is required to be held, whichever is earlier, unless earlier revoked or varied) and must thereafter be renewed at each subsequent AGM. While the Proposed IPT General Mandate authorises recurring or ordinary-course Mandated Transactions with the Mandated Interested Persons, it does not prescribe or limit the tenure of the underlying commercial agreements. By contrast, the Hong Kong Listing Rules permit continuing connected transaction agreements for a fixed term of up to three years, subject to compliance with the applicable requirements.

The Company does not consider it appropriate to limit their term to one year solely to align with the initial validity period of the Proposed IPT General Mandate. Given the recurring nature of the Mandated Transactions, a three-year term provides greater commercial certainty and operational stability, supports business planning and customer servicing, and reduces the administrative burden of annual renewals.

Notwithstanding the proposed three-year term, the transactions contemplated under the 2026 Master Supply Framework Agreement (as amended by the Supplemental Supply Deed) and the 2026 Master Purchase Framework Agreement (as amended by the Supplemental Purchase Deed) will remain subject to Chapter 9 of the SGX-ST Listing Manual, including annual renewal of the Proposed IPT General Mandate. Such renewal will be subject to the Audit Committee's review of the continued relevance of the mandate and the adequacy of its review procedures. The Company therefore believes that a three-year term appropriately balances commercial practicality and shareholder protection by providing a stable commercial framework while preserving annual Independent Shareholders' oversight through renewal of the Proposed IPT General Mandate.

5. PRODUCTS UNDER THE 2026 MASTER SUPPLY FRAMEWORK AGREEMENT AND 2026 MASTER PURCHASE FRAMEWORK AGREEMENT

The semi-conductor electronic component products under each of the 2026 Master Supply Framework Agreement and the 2026 Master Purchase Framework Agreement are products under different brands. Shanghai YCT Group and the Group distribute different ranges of brands, with certain brands overlapping. For the overlapping brands, the product generally differs in model numbers and specifications between the Group and Shanghai YCT Group. To avoid and minimise overlap in business operations and the cross-selling of identical products, the Group and Shanghai YCT Group maintain separate product portfolios and communicate on a quarterly basis to review and exchange product lists to ensure that their principal product offerings remain differentiated.

The Group and Shanghai YCT Group generally do not deal in identical products under the overlapping brands, save for limited circumstances such as stock shortages or when Shanghai YCT Group offers better terms than third parties. Transactions involving identical products under overlapping brands represented an insignificant portion of the continuing connected transactions between the Group and Shanghai YCT Group. For the financial years ended December 31, 2024 and 2025, such transactions accounted for approximately 0% and 0.66%, respectively, of the Group's aggregated transaction amount under the 2026 Master Supply Framework Agreement, while no identical products were transacted under the 2026 Master Purchase Framework Agreement during the same period. The Group does not manufacture semi-conductor electronic components distributed by Shanghai YCT Group. Based on the information made available to the Group, Shanghai YCT Group does not manufacture the semi-conductor electronic component products distributed by the Group. Shanghai YCT Group primarily serves customers in the automotive sector, while the Group focuses on industrial, consumer, telecommunications, OEM and trading customers, rather than solely automotive. Each of the Group and Shanghai YCT Group offers distinct products with only minimal overlap between them. Similarly, each entity serves its own separate customer base, and any overlap is considered immaterial. As such, the Group expects transactions involving identical products under overlapping brands to remain minimal, and the proportion of such transactions shall not exceed 3% of the aggregated transaction amount (the "**Overlap Limit**") under the 2026 Master Supply Framework Agreement and the 2026 Master Purchase Framework Agreement respectively each year, taking into account potential fluctuations in customer demand, supply availability and pricing considerations. A designated responsible person shall be responsible for monitoring the relevant transactions on an ongoing basis and ensuring that the respective aggregate value of the transactions does not exceed the Overlap Limit in any given year. Regular reviews and compliance checks shall be conducted, and any actual or potential exceedance of the threshold shall be promptly escalated to senior management for assessment and appropriate action. The effectiveness and adequacy of these internal control measures shall be reviewed annually by the independent non-executive Directors and also be reviewed by internal auditors in their scope of works. In the event that extreme market fluctuations cause, or are likely to cause, the transactions to approach or exceed the Overlap Limit, the Company's risk management manager shall promptly assess the situation and implement appropriate control measures, including (i) restricting further transactions relating to the relevant products, or (ii) deferring or reducing the transaction volume until the next review period to ensure continued compliance with the applicable threshold.

The Independent Board considers that the 2026 Master Purchase Framework Agreement and the 2026 Master Supply Framework Agreement enable the Group to expand its product offerings to its existing customers, creating opportunities to increase revenue. The continuing connected transactions aim to facilitate strategic cross-selling, enabling both the Group and Shanghai YCT Group to provide a broader range of products to their respective customers. This approach enhances commercial synergies while preserving the core business focus of each entity and the Independent Board considers the entering into both the 2026 Master Purchase Framework Agreement and 2026 Master Supply Framework Agreement is in the interest of the Company and its shareholders as a whole.

6. NON-COMPETITION UNDERTAKINGS

The Abstained Directors have provided non-competition undertakings in favour of the Company effective upon their appointment. As disclosed in the announcement dated May 19, 2023, the non-competition undertakings are intended to manage potential conflicts of interest arising from Mr. Xie Lishu's and Ms. Huang Shaoli's respective roles in both the Company and Shanghai YCT, given their similar business models, geographical presence, and overlapping suppliers and customers. The non-competition undertakings include, among others, measures such as restricting Mr. Xie Lishu and Ms. Huang Shaoli from participating in the Company's management where competition exists, requiring them to abstain from voting on conflicted matters, and granting the Company a right of first refusal on relevant business opportunities. In addition, the non-competition undertakings mandate annual compliance declarations by Mr. Xie Lishu and Ms. Huang Shaoli, independent board oversight, and disclosure obligations by the Company in its annual reports to Shareholders.

In accordance with the non-competition undertakings:

(i) each Abstained Director has recused himself/herself from participating in the discussions and abstained from voting on the resolutions of the Board for approving the entry into the 2026 Master Supply Framework Agreement, the 2026 Master Purchase Framework Agreement, the Supplemental Supply Deed, the Supplemental Purchase Deed, the Revised Supply Annual Caps and the transactions contemplated thereunder;

(ii) the Independent Board was responsible for deciding, in the absence of the Abstained Directors, regarding the 2026 Master Supply Framework Agreement, the 2026 Master Purchase Framework Agreement, the Supplemental Supply Deed, the Supplemental Purchase Deed, the Revised Supply Annual Caps and the transactions contemplated thereunder; and

(iii) the independent non-executive Directors have been provided with the financial information and other information and professional advice they have requested in relation to the 2026 Master Supply Framework Agreement, the 2026 Master Purchase Framework Agreement, the Supplemental Supply Deed, the Supplemental Purchase Deed and the Revised Supply Annual Caps, in order to make an informed decision.

Based on the assessment by the Independent Board, the Independent Board considers that the Abstained Directors have complied with the non-competition undertakings.

Taking into account the Overlap Limit and related internal control measures governing transactions involving identical products under overlapping brands, together with the non-competition undertaking executed by Mr. Xie Lishu and Ms. Huang Shaoli in favour of the Company, the Company considers that the Group and Shanghai YCT Group do not compete with each other in any material respect.

7. INTERNAL CONTROLS

In order to ensure that the terms under the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) are no less favourable than those offered by independent third parties, the Company has implemented internal control procedures and policies to monitor the continuing connected transactions and to ensure that all continuing connected transactions are entered into in accordance with pricing policies and are fair and reasonable in the interests of the Company and the Shareholders as a whole. Such measures include:

(i) the product manager of the sales and marketing department (the "**Product Manager**") will conduct regular checks (at least on a quarterly basis) to review and assess whether the continuing connected transactions are conducted in accordance with the sales orders under the 2026 Master Supply Framework Agreement, and will also regularly update the market prices (at least on a quarterly basis) for the purpose of considering if the prices charged for a specific transaction are fair and reasonable and in accordance with the respective pricing policies;

(ii) will engage its external auditor to report on the continuing connected transactions every financial year. The external auditor will provide a letter to the Board confirming the matters required under the Hong Kong Listing Rules including whether the continuing connected transactions are carried out in accordance with the relevant pricing policies and an annual review on the terms and annual caps of the continuing connected transactions; and

(iii) The independent non-executive Directors will also conduct an annual review regarding the effectiveness of the implementation and enforcement of the internal controls monitoring the continuing connected transactions.

The Product Manager will be responsible for determining the selling price and reviewing the gross profit margin (by comparing selling prices of similar semi-conductor electronic component products sold to other customers of the Group which are independent third parties for every sales order) to ensure the prices of the sales orders under the 2026 Master Supply Framework Agreement are in line with the pricing policies. The Product Manager shall determine whether the terms of the continuing connected transactions are fair and reasonable and conducted in accordance with the 2026 Master Supply Framework Agreement.

To ensure the continuing connected transactions will not exceed the respective annual caps, the Company's risk management manager shall check the sales amount at the enterprise resource planning system to ensure the approved annual caps are not exceeded. Each relevant department shall nominate a senior manager/staff to be the responsible person (the "**Responsible Person(s)**") to report to the company secretary of the Company (the "**Company Secretary**") on a monthly basis, the value of the continuing connected transactions. The Company Secretary will also liaise with the Group's finance department each month to verify the actual transaction amounts. In the event that the Responsible Person receives any information that the approved annual cap may be exceeded, such information will also be reported, alongside with the proposed response (i.e. revision of the annual cap(s)) to the Company Secretary, where such information shall be compiled and presented to the Board for deliberation and approval (with Directors having an interest in the transaction under consideration abstaining from such deliberation, review and approval process), and the Company will comply with the relevant announcement and/or shareholders' approval requirements in accordance with the Hong Kong Listing Rules and the SGX-ST Listing Manual.

The Board is of the view that the above measures can ensure the pricing and terms are entered into in accordance with pricing policies and are fair and reasonable in the interests of the Company and the Shareholders as a whole.

8. INFORMATION ON THE PARTIES

8.1. Information of the Group

The Company was incorporated as an exempted company with limited liabilities in Bermuda, with its shares listed and traded on the Mainboard of the SGX-ST and the Main Board of the Hong Kong Stock Exchange. The Group is principally engaged in the distribution of electronic components for use in the industrial, audio and video, telecommunications, home appliance, lighting, electronic manufacturing services and automotive segments, as well as the provision of engineering solutions.

8.2. Information of Shanghai YCT

Shanghai YCT is a well-known authorised distributor of electronic components and self-developed integrated circuit designer in the PRC. Shanghai YCT is engaged in the fields of automotive lighting, car cockpit and automobile wire-controlled chassis.

Shanghai YCT is headquartered in Shanghai, and its sales network covers the Asia-Pacific region. It has established offices in Kunshan, Shenzhen, Nanjing, Hangzhou, Tianjin, Hong Kong, Chongqing, and Foshan, as well as overseas offices in Seoul, South Korea, Singapore and India.

9. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Shanghai YCT is the controlling shareholder of the Company which currently owns 76,955,745 Shares, representing 74.72% of the issued share capital of the Company through its indirect wholly-owned subsidiary, Texin, and is ultimately controlled by Mr. Xie Lishu, the Chairman and executive Director and his spouse, Ms. Huang Shaoli, a non-executive Director. As such, Shanghai YCT is a connected person of the Company and the transactions contemplated under the 2026 Master Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rule 14A.54(1) of the Hong Kong Listing Rules, if the Company proposes to approve the Revised Supply Annual Caps, the Company will have to re-comply with the provisions of Chapter 14A of the Hong Kong Listing Rules applicable to the relevant continuing connected transactions.

At the relevant time when the 2026 Master Supply Framework Agreement was entered into, all applicable percentage ratios calculated with reference to the Original Supply Annual Cap in respect of transactions contemplated under the 2026 Master Supply Framework Agreement respectively were less than 5% and the transaction amounts are less than HK$3,000,000 on an annual basis. As such, those transactions constituted de minimis transactions of the Company and were therefore fully exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Hong Kong Listing Rules) relating to the Revised Supply Annual Caps under the 2026 Master Supply Framework Agreement exceed 5% and the transaction amounts are over HK$10,000,000 on an annual basis, the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the transactions contemplated under the 2026 Master Supply Framework Agreement are subject to the reporting, annual review, announcement and the independent Shareholder's approval requirements under Chapter 14A of the Hong Kong Listing Rules.

Due to their interests in Shanghai YCT, Mr. Xie Lishu, the Chairman and an executive Director and his spouse, Ms. Huang Shaoli, a non-executive Director, are regarded as having material interest in the Revised Supply Annual Caps, the transactions contemplated under the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed and have abstained from voting on the relevant resolutions of the Board. To the best of the Directors' knowledge, save for Mr. Xie Lishu and Ms. Huang Shaoli, none of the Directors has any material interest in the Revised Supply Annual Caps, the transactions contemplated under the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed, and none of them has abstained from voting on the relevant resolutions of the Board.

As each of Mr. Xie Lishu and Ms. Huang Shaoli is regarded as having material interest in the transactions contemplated under the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed, each of them and their respective associates, including Shanghai YCT, which is ultimately controlled by Mr. Xie Lishu and Ms. Huang Shaoli and indirectly holds 76,955,745 Shares through its wholly-owned subsidiary Texin (representing approximately 74.72% of the issued share capital of the Company), are required to abstain from voting on the relevant resolutions to be proposed at the SGM to approve the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the transactions contemplated thereunder. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholders would be required to abstain from voting on the resolutions at the SGM to be held by the Company to approve the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the transactions contemplated thereunder.

10. IMPLICATIONS UNDER THE SGX-ST LISTING MANUAL

The Company intends to seek Shareholders' approval at the SGM for the adoption of the Proposed IPT General Mandate to cover the transactions contemplated under the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) and the 2026 Master Purchase Framework Agreement (as proposed to be amended by the Supplemental Purchase Deed).

11. THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

11.1. Chapter 9 of the SGX-ST Listing Manual

11.1.1. Chapter 9 of the SGX-ST Listing Manual governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an "**entity at risk**" and as further described below) enters into or proposes to enter into transactions with a party who is an interested person of the listed company. The purpose is to guard against the risk that interested persons could influence the listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

11.1.2. For the purposes of Chapter 9 of the SGX-ST Listing Manual:

(a) "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the SGX-ST Listing Manual;

(b) an "**associate**" in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means his immediate family (i.e. spouse, children, adopted children, step-children, siblings and parents), the trustees of any trusts of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. An "associate" in relation to a substantial shareholder or controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(c) an "**associated company**" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;

(d) a "**chief executive officer**" means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company;

(e) a "**controlling shareholder**" is a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the listed company (unless otherwise excepted by the SGX-ST) or in fact exercises control over a company;

(f) "**entity at risk**" means:

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;

(g) "**interested person**" means:

(i) a director, chief executive officer, or controlling shareholder of the listed company; or

(ii) an associate of any such director, chief executive officer, or controlling shareholder.

The SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into: (a) a transaction with an entity at risk; and (b) an agreement or arrangement with an interested person in connection with that transaction;

(h) "**interested person transaction**" means a transaction between an entity at risk and an interested person, and a "transaction" includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of goods or services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business and whether or not entered into directly or indirectly.

11.1.3. An immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

In particular, an immediate announcement is required where:

(a) the value of the proposed transaction is equal to or more than 3% of the latest audited NTA of the listed group; or

(b) the aggregate value of all transactions (including the subject transaction) entered into with the same interested person during the same financial year is equal to or more than 3% of the latest audited NTA of the listed group.

In addition to an immediate announcement, shareholders' approval is required where:

(a) the value of the proposed transaction is equal to or more than 5% of the latest audited NTA of the listed group; or

(b) the aggregate value of all transactions (including the subject transaction) entered into with the same interested person during the same financial year is equal to or more than 5% of the latest audited NTA of the listed group.

In interpreting the term "same interested person" for the purpose of aggregation, the following applies:

(i) transactions between (a) an entity at risk and a primary interested person; and (b) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person. Transactions between (X) an entity at risk and a primary interested person; and (Y) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person;

(ii) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and

(iii) if an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit and risk committees whose members are completely different.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S$100,000 and certain transactions such as those set out in Rules 915 and 916 of the SGX-ST Listing Manual. However, while such transactions below S$100,000 are not normally aggregated under Rules 905(3) or 906(4) of the SGX-ST Listing Manual, the SGX-ST may aggregate any such transactions entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the SGX-ST Listing Manual.

11.1.4. Based on the Group's latest audited consolidated financial statements as at December 31, 2025, the latest audited NTA of the Group was approximately HK$507,424,000. Accordingly, in relation to the Group, for the purposes of Chapter 9 of the SGX-ST Listing Manual, Shareholders' approval is required where:

(a) the transaction is of a value equal to, or more than, HK$25,371,200, being 5% of the Group's latest audited NTA as at December 31, 2025; or

(b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, HK$25,371,200. The aggregation will exclude any transaction that has been approved by Shareholders previously or is the subject of aggregation with another transaction that has been approved by Shareholders.

11.1.5. Rule 920 of the SGX-ST Listing Manual permits a listed company to seek a general mandate from its shareholders for recurrent transactions of revenue or trading nature or those necessary for its day-to-day operations, such as the purchase and sale of supplies and materials, which may be carried out with interested persons of the listed company. It should be noted that no such mandate can be sought for the purchase or sale of assets, undertakings or businesses. In addition, a general mandate is subject to annual renewal.

11.2. Background, Rationale and Benefits of the Proposed IPT General Mandate

11.2.1. The Group is principally engaged in the distribution of electronic components for use in the industrial, audio and video, telecommunications, home appliance, lighting, electronic manufacturing services and automotive segments, as well as the provision of engineering solutions.

11.2.2. As at the Latest Practicable Date, Shanghai YCT is a controlling shareholder (as such term is defined under the SGX-ST Listing Manual) of the Company holding deemed interest in 76,955,745 Shares, representing approximately 74.72% of the issued share capital of the Company. Such deemed interests arise from the Shares held through Texin, an indirect wholly-owned subsidiary of Shanghai YCT. As such, pursuant to Rule 904(4) of the SGX-ST Listing Manual, Shanghai YCT is an interested person of the Company within the meaning of Chapter 9 of the SGX-ST Listing Manual vis-à-vis the Company and its subsidiaries, which are regarded as "entities at risk" pursuant to Rule 904(2) of the SGX-ST Listing Manual. Accordingly, transactions between the Group and the Shanghai YCT Group constitute interested person transactions within the meaning of Chapter 9 of the SGX-ST Listing Manual.

11.2.3. The Group has entered into the 2026 Master Supply Framework Agreement and the 2026 Master Purchase Framework Agreement and, on June 23, 2026, entered into the Supplemental Supply Deed and the Supplemental Purchase Deed to, among others, revise the relevant annual transaction caps and extend the term of the respective framework agreements. The Group expects to enter into certain recurrent transactions with the Shanghai YCT Group pursuant to the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) and the 2026 Master Purchase Framework Agreement (as proposed to be amended by the Supplemental Purchase Deed), as set out in Section 11.3 of this Circular below. The transactions contemplated are expected to occur in the ordinary course of business to leverage on synergies between the businesses of the two groups. Such recurrent transactions are likely to occur with some degree of frequency and are part of the day-to-day operations of the Group and could arise at any time.

11.2.4. The Group has, from time to time, entered into, and will continue to enter into, transactions with the Shanghai YCT Group as customers of the Group, which has and will continue to provide additional revenue to the Group and enhance its profitability. Similarly, transactions with the Shanghai YCT Group as suppliers of the Group are expected to allow the Group to benefit from having access, where applicable, to competitive quotes from its interested persons and derive savings in terms of cost efficiencies and greater economies of scale in its transactions with such interested persons, in addition to obtaining quotes from, or transacting with, interested persons.

In this regard, as at the Latest Practicable Date and since the current financial year commencing on January 1, 2026, the Group has entered into the following interested person transactions with the Shanghai YCT Group (excluding transactions which are less than S$100,000):

No.	Name of Mandated Interested Person	Nature of the transaction	Aggregate value of transaction		
			(HK$)	*(S$)*[1]	*%*[2]
1.	Shanghai YCT Group	Supply of semiconductor electronic component products by the Group pursuant to the 2026 Master Supply Framework Agreement[3]	2,999,999.00	491,400.33	0.59
2.	Shanghai YCT Group	Purchase of semiconductor electronic component products by the Group pursuant to the 2026 Master Purchase Framework Agreement[3]	2,999,999.00	491,400.33	0.59
3.	Shenzhen E-MANTECH Ltd, a subsidiary of the Shanghai YCT Group	Leasing of part of the office in Shenzhen by Willas-Array Electronics (Shenzhen) Limited, a subsidiary of the Company, pursuant to a Shenzhen housing lease agreement	1,412,623.00	231,387.88	0.28
4.	Texin, a subsidiary of Shanghai YCT	Provision of warehousing and logistics services by Willas-Array Electronics (Hong Kong) Limited, a subsidiary of the Company, pursuant to a warehousing and logistics services agreement	960,000.00	157,248.16	0.19
5.	Shenzhen E-MANTECH Ltd, a subsidiary of the Shanghai YCT Group	Provision of warehousing and logistics services by Willas-Array Electronics (Shanghai) Limited, a subsidiary of the Company, pursuant to a warehousing and logistics services agreement	5,400,000.00	884,520.88	1.06
6.	Shenzhen E-MANTECH Ltd and E-MANTECH (HK) Limited, subsidiaries of the Shanghai YCT Group	Provision and receipt of customer referrals by Willas-Array Electronics (Hong Kong) Limited and Array Electronics (China) Limited, both subsidiaries of the Company, pursuant to a mutual customer referral framework agreement	1,900,000.00	311,220.31	0.37
7.	Shanghai YCT, Texin and Shanghai Yachuangli Technology Co., Ltd., being subsidiaries of Shanghai YCT	Provision and receipt of customer referrals by Willas-Array Electronics (Hong Kong) Limited, Array Electronics (China) Limited, Willas-Array Electronics (Shenzhen) Limited, Willas-Array Electronics (Shanghai) Limited and Willas-Array Electronics (Taiwan) Inc., all of which are subsidiaries of the Company, pursuant to a mutual customer referral framework agreement	1,000,000.00	163,800.16	0.20
8.	Texin, a subsidiary of Shanghai YCT	Leasing of warehouse space in Hong Kong by Willas-Array Electronics Management Limited, a subsidiary of the Company, pursuant to a warehouse lease agreement	910,823.00	149,192.96	0.18

No.	Name of Mandated Interested Person	Nature of the transaction	Aggregate value of transaction		
			(HK$)	*(S$)*[1]	*%*[2]
9.	Shanghai YCT and Texin, a subsidiary of Shanghai YCT	Interest payable on the maximum principal amount of a revolving loan facility extended to Willas-Array Electronics (Shenzhen) Limited, Willas-Array Electronics (Shanghai) Limited, Willas-Array Electronics (Hong Kong) Limited and Shenzhen Yalixin Electronics Co., Ltd., all of which are subsidiaries of the Company, pursuant to a loan agreement	6,000,000.00	982,800.98	1.18
	Total value of all transactions with all Mandated Interested Persons		**23,583,444.00**	**3,862,971.99**	**4.65**

Notes:

(1) The Singapore dollar equivalents are based on the exchange rate prevailing as at the Latest Practicable Date, for the purposes of determining the applicable thresholds under Rule 905 of the Listing Manual of the SGX-ST.

(2) As a percentage of the Group's latest audited NTA of approximately HK$507,424,000 based on the latest audited consolidated financial statements of the Group as at December 31, 2025. Any discrepancy between the sum of the figures stated and the total thereof is due to rounding.

(3) For the avoidance of doubt, the supply and purchase transactions set out above were entered into pursuant to the 2026 Master Supply Framework Agreement and the 2026 Master Purchase Framework Agreement, respectively, and have not been amended by the Supplemental Supply Deed and the Supplemental Purchase Deed. The amendments contemplated under the Supplemental Supply Deed and the Supplemental Purchase Deed are conditional upon the adoption of the Proposed IPT General Mandate.

11.2.5. Save as disclosed above, as at the Latest Practicable Date and since the current financial year commencing on January 1, 2026, there were no other interested person transactions (excluding transactions which are less than S$100,000) entered into between the Group and all its interested persons.

11.2.6. In view of the time-sensitive nature of commercial transactions and the need for the smooth and efficient conduct of business which is envisaged to include entering into the Mandated Transactions which are recurring in nature or in the ordinary course of business with the Mandated Interested Persons, the Directors are seeking the approval of Independent Shareholders (which excludes Shareholders who are required to abstain from voting pursuant to Rule 920(1)(b)(viii) of the SGX-ST Listing Manual) for the adoption of the Proposed IPT General Mandate in respect of future transactions that the Group may enter into with the Mandated Interested Persons provided the Mandated Transactions are entered into on an arm's length basis and on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

11.2.7. The adoption of the Proposed IPT General Mandate and any subsequent renewal on an annual basis will eliminate the need for the Company to announce and convene separate general meetings on each occasion, where necessary, to seek Independent Shareholders' approval for each separate Mandated Transaction to be entered between the Group and the Mandated Interested Person of a revenue or trading nature or those necessary for its day-to-day operations, thereby substantially reducing the time and expenses associated with the convening of such general meetings (including the engagement of external advisers and preparation of documents) on an ad hoc basis, improving administrative efficacy considerably, allowing manpower resources and time to be channelled towards attaining other corporate objectives.

11.3. Mandated Transactions

The categories of interested person transactions to be covered by the Proposed IPT General Mandate are the recurring purchase and/or sale of semi-conductor electronic component products by the Group pursuant to the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) and the 2026 Master Purchase Framework Agreement (as proposed to be amended by the Supplemental Purchase Deed). These transactions include:

(a) the sale by the Group of semi-conductor electronic component products pursuant to the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed); and

(b) the purchase by the Group of semi-conductor electronic component products pursuant to the 2026 Master Purchase Framework Agreement (as proposed to be amended by the Supplemental Purchase Deed),

(collectively the "**Mandated Transactions**").

For the avoidance of doubt, the Proposed IPT General Mandate does not specify any annual monetary limit, monetary cap or maximum aggregate transaction amount in respect of the Mandated Transactions, and no such monetary limit or cap is prescribed under Rule 920 of the SGX-ST Listing Manual. The Revised Supply Annual Caps applicable to the transactions contemplated under the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) are separate annual caps established for the purposes of compliance with Chapter 14A of the Hong Kong Listing Rules and do not constitute, or operate as, a monetary cap or limit under the Proposed IPT General Mandate.

The Proposed IPT General Mandate will not cover any interested person transaction which has a value below S$100,000 as, pursuant to Rules 905(3) and 906(2) of the SGX-ST Listing Manual, the threshold and aggregation requirements of Chapter 9 of the Listing Rules do not apply to such transactions. However, as stated above, the SGX-ST may aggregate any such transactions below S$100,000 that are entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the SGX-ST Listing Manual.

Transactions with interested persons (including the Mandated Interested Persons) that do not fall within the ambit of the Proposed IPT General Mandate will be subject to the relevant provisions of Chapter 9 of the SGX-ST Listing Manual and/or other applicable provisions of the SGX-ST Listing Manual as well as the Hong Kong Listing Rules.

11.4. Information on Mandated Interested Persons

The interested persons to be covered under the Proposed IPT General Mandate are Shanghai YCT and its subsidiaries but excluding the Group (collectively, the "**Mandated Interested Persons**"). Shanghai YCT is a well-known authorised distributor of electronic components and self-developed integrated circuit designer in the PRC. Shanghai YCT is engaged in the fields of automotive lighting, car cockpit and automobile wire-controlled chassis. Shanghai YCT is headquartered in Shanghai, and its sales network covers the Asia-Pacific region. It has established offices in Kunshan, Shenzhen, Nanjing, Hangzhou, Tianjin, Hong Kong, Chongqing, and Foshan, as well as overseas offices in Seoul, South Korea, Singapore and India.

As at the Latest Practicable Date, the subsidiaries of Shanghai YCT, excluding the Group, consist of the following companies:

(i) Texin (Hongkong) Electronics Co., Limited
(ii) Kunshan Archer Electronics Co., Ltd.
(iii) Shanghai Yaxinli Electronics Trading Co. Ltd.
(iv) UPC Electronics Pte Limited
(v) WE Components Pte. Ltd
(vi) WE Microelectronics Pte Ltd
(vii) We Components (Shanghai) Co., Ltd
(viii) Kin Wai Technology Limited
(ix) WE Components (HK) Limited
(x) TEXIN ELECTRONICS COMPANY LIMITED
(xi) WE Components (Penang) Sdn Bhd
(xii) WE Components India Pvt Ltd
(xiii) Shanghai Xuze Electronic Components Co. Ltd.
(xiv) Jieyang Xuze Electronic Parts Co., Ltd
(xv) Shanghai Tamul Power Semiconductor Technology Co., Ltd.
(xvi) Tamul Power Semiconductor LLC
(xvii) Shanghai Xuhe Energy Saving Technology Co. Ltd.
(xviii) Texin Software Co., Ltd.
(xix) Ecore Electronics Co., Limited
(xx) Ecore Korea Electronics LLC
(xxi) Shenzhen E-Mantech Ltd
(xxii) Shenzhen Yihai Zhixin Technology Co., Ltd
(xxiii) E-MANTECH (HK) LIMITED
(xxiv) AUS ELECTRONICS LIMITED
(xxv) Shenzhen Ouchuangxin Semiconductor Co., Ltd
(xxvi) AROW INTERNATIONAL LIMITED
(xxvii) Xinsida Components (Shanghai) Co., Ltd.
(xxviii) Sunac Micro (Shanghai) Electronic Technology Co., Ltd.
(xxix) Winstar Investment Management Pte Ltd
(xxx) Shanghai YCT Xinhe Microelectronics Co., Ltd.
(xxxi) Shenzhen Xinlichuang Supply Chain Co., Ltd.
(xxxii) Shanghai Sixinxin Semiconductor Technology Co., Ltd.
(xxxiii) Nanjing Shenlichuang Technology Co., Ltd.
(xxxiv) Shanghai Xinchuangzhi Electronics Co., Ltd.
(xxxv) Shanghai Yachuangli Technology Co., Ltd.
(xxxvi) WE Microelectronics (USA) Corporation
(xxxvii) YCT Co., Ltd.
(xxxviii) Shanghai Analogy Semiconductor Technology Co., Ltd.
(xxxix) Shenzhen Analogy Semiconductor Technology Co., Ltd.
(xl) Xian Analogy Semiconductor Technology Co., Ltd.
(xli) Suzhou Analogy Semiconductor Technology Co., Ltd.
(xlii) Beijing Analogy Semiconductor Technology Co., Ltd.
(xliii) Hangzhou Analogy Semiconductor Technology Co., Ltd.
(xliv) Ever Best Industrial (International) Limited
(xlv) Shenzhen Yongjia Zhenhua Technology Co., Ltd.
(xlvi) SMART EYES TECHNOLOGY HK CO., LIMITED
(xlvii) ZH ASCEND (HONGKONG) CO., LIMITED
(xlviii) Shenzhen Yiheda Technology Co., Ltd.

11.5. Validity Period

The Proposed IPT General Mandate is subject to the Independent Shareholders' approval at the SGM. If approved by the Independent Shareholders at the SGM, the Proposed IPT General Mandate will take effect from the passing of the ordinary resolution relating to the adoption of the Proposed IPT General Mandate as set out in the Notice, and will continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier (unless sooner revoked or varied by the Company in general meeting). Approval from the Independent Shareholders will be sought for the renewal of the Proposed IPT General Mandate at each subsequent AGM (or special general meeting held on the same day as the AGM), subject to satisfactory review by the Audit Committee of its continued relevance and application and the sufficiency of the guidelines and review procedures under the Proposed IPT General Mandate to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

11.6. Guidelines and Review Procedures

To ensure that the Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company has put in place guidelines and review procedures to supplement existing internal control procedures for the Mandated Transactions under the Proposed IPT General Mandate as set out below in this Section 11.6.

In general, these are procedures established by the Group to ensure that the Mandated Transactions with Mandated Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the Mandated Interested Persons than those extended to independent third parties, and will not be prejudicial to the interests of the Company and its minority Shareholders.

11.6.1. Sale of products to a Mandated Interested Person

The review procedures are:

(a) all sale of products to Mandated Interested Persons will be carried out at the prevailing market prices offered by the Group for the same or substantially similar types of products and on terms no more favourable than the usual commercial terms extended to at least two independent third-party customers for similar or substantially similar types of products. In assessing the above, comparison will be made to the terms of two other contemporaneous or recent transactions of a similar or substantially similar nature with independent third-party customers of the Group, with the understanding that the product may be subject to price fluctuations, depending on market conditions;

(b) where the prevailing market rates or prices are not available due to the nature of the product to be sold, the Group's pricing and terms offered for such products to be sold to Mandated Interested Persons shall be determined in accordance with the Group's usual business practices and pricing policies, including taking into account (i) the direct costs of the relevant semi-conductor electronic component products and (ii) an appropriate mark-up, determined with reference to the mark-up charged to independent third-party customers for the same or similar products (or, where such comparable independent sales are not available, for products of comparable quality, specifications and quantities or published market selling prices or quotations for such comparable products obtained from independent electronic component distributors, online platforms or suppliers). In determining the pricing and terms offered to Mandated Interested Persons for such products, the Approving Executives or the Audit Committee (as the case may be, depending on the financial limit set out in Section 11.6.3 below) shall consider whether the transaction is beneficial to the interests of the Group and take into consideration factors such as credit terms; and

(c) in addition, the Group will, on a regular basis (not less frequently than quarterly), compare the selling prices of similar semi-conductor electronic component products sold to Mandated Interested Persons against those sold to independent third-party customers (based on at least two comparable transactions, or, where such transactions are not available, similar products) to ensure that the terms remain in line with prevailing market rates and conditions.

11.6.2. Purchase of products from a Mandated Interested Person

The review procedures are:

(a) all purchase of products from Mandated Interested Persons will be carried out at the prevailing market prices offered to the Group for the same or substantially similar type of products and on terms no less favourable than the usual commercial terms extended by at least two independent third-party vendors for similar or substantially similar types of products. The Group will obtain at least two other quotations from independent third-party suppliers for similar or substantially similar types of products to determine whether the price and terms offered by the Mandated Interested Persons are comparable to the prevailing market rate and on terms no less favourable than the usual commercial terms extended by independent third-party vendors to the Group, and in making such assessment, the Group shall also take into account (i) historical purchase prices of similar products from independent third parties and (ii) the credit terms on which the products are purchased;

(b) in the event that quotations from independent third party vendors cannot be obtained (for instance, if there are no independent third party vendors of similar products, or if the product is only available from the Mandated Interested Persons), the Approving Executives or the Audit Committee (as the case may be depending on the financial limit set out in Section 11.6.3 below) will determine whether the price and terms offered by the Mandated Interested Persons are fair and reasonable after taking into consideration factors such as, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, as well as prevailing market conditions (to the extent ascertainable); and

(c) in addition, the Group will, on a regular basis (and not less frequently than quarterly), obtain quotations from independent third-party suppliers for products of similar type, quantity and specifications for benchmarking purposes, to ensure that the terms of purchase remain in line with prevailing market rates and conditions.

11.6.3. Threshold Limit

In addition to the above review procedures, depending on whether the value of the contract to be entered into in relation to the Mandated Transactions is equal to or exceeds S$100,000 but in any case below 5% of the Group's latest announced audited consolidated NTA at the time of entry into the relevant Mandated Transaction ("**Financial Limit**"), the following approval thresholds shall be adopted:

(a) Each contract with a value falling within the Financial Limit will be reviewed and approved by the Approving Executive(s) (who must have no interest, direct or indirect in the Mandated Transaction) and reported to the Company Secretary on a monthly basis and to the Audit Committee on a quarterly basis.

(b) Each contract with a value exceeding the Financial Limit in value will be reviewed and approved by the Audit Committee prior to the Company's entry into such Mandated Transaction.

(c) Any of the Approving Executives and members of the Audit Committee, may, as he/she deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser's opinion and/or obtaining valuations from independent professional valuers.

11.6.4. Additional guidelines and review procedures

In addition to the guidelines and review procedures set out in Section 11.6.1 and 11.6.2 above, the Company will also implement the following additional guidelines and procedures to ensure that the Mandated Transactions are undertaken on an arm's length basis and on normal commercial terms:

(a) Register of Mandated Transactions

The Company will maintain a register of Mandated Transactions carried out with Mandated Interested Persons (including transactions below S$100,000 and the Mandated Transactions) (recording the orders entered into in relation to the Mandated Transactions and basis for pricing and other commercial terms thereunder, including quotations, enquiries and/or reports obtained to support such basis on which the Mandated Transactions are entered into) (the "**IPT Register**").

(b) Periodic reviews

The internal auditors shall annually, or at the request of the Audit Committee, carry out audit reviews on the adequacy and compliance of the internal control system and reporting procedures for Mandated Transactions and will report to the Audit Committee on their findings.

The internal auditors shall annually, or at the request of the Audit Committee, carry out audit reviews to ascertain that the established guidelines and procedures for Mandated Transactions are appropriate and have been adequately complied with.

The external auditors of the Company will conduct an annual review on the terms and annual cap of the Mandated Transactions.

The Audit Committee will review the IPT Register on a quarterly basis to ascertain that the guidelines and review procedures for Mandated Transactions have been complied with. The Audit Committee shall also review the appropriateness and sufficiency of the guidelines and review procedures for Mandated Transactions at least annually.

If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the established guidelines and review procedures for Mandated Transactions have become inappropriate or insufficient for whatever reason, such as in the event of changes to the nature of, or manner in which, the business activities of the Company or the Mandated Interested Persons are conducted, the Company will seek a fresh mandate from the Independent Shareholders based on new guidelines and review procedures with a view to ensuring that the Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders. In such a situation, prior to obtaining the new Shareholders' mandate, all transactions with the Mandated Interested Persons will be reviewed and approved by the Audit Committee.

(c) Abstention from decision-making and voting at a Board meeting

If any of the Directors has an interest in the transaction under consideration for approval or is a nominee for the time being of any of the Mandated Interested Persons, or if any associate of such Director is involved in the decision-making process on the part of the Mandated Interested Persons, the review and approval process shall be undertaken by the remaining Directors who do not have an interest in the transaction under consideration for approval or are not nominees for the time being of the relevant Mandated Interested Person(s), and who are not subject to such conflicts of interest, save that if all of the Directors have an interest in the transaction under consideration for approval, or are nominees for the time being of either or both of the Mandated Interested Persons or are subject to such conflicts of interest, the review and approval process shall be undertaken by the Audit Committee or such other senior executive(s) of the Company designated by the Audit Committee from time to time for such purpose. Each senior executive so designated must be unrelated to the Mandated Interested Persons and have no interest, direct or indirect, in the Mandated Transactions.

If a member of the Audit Committee has an interest in a transaction under consideration for approval or is a nominee for the time being of either or both of the Mandated Interested Persons, or if any associate of a member of the Audit Committee is involved in the decision-making process on the part of the Mandated Interested Persons, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction under consideration.

11.7. Disclosure

The Company will announce the aggregate value of transactions conducted with the Mandated Interested Persons pursuant to the Proposed IPT General Mandate for the relevant financial periods, which the Company is required to report on pursuant to Rule 705 of the SGX-ST Listing Manual and within the time required for the announcement of such reports.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the Mandated Interested Persons pursuant to the Proposed IPT General Mandate during the current financial year, and in the annual reports for subsequent financial years that the Proposed IPT General Mandate continues to be in force, in accordance with the requirements of Chapter 9 of the SGX-ST Listing Manual.

The name of the Mandated Interested Person and the corresponding aggregate value of the Mandated Transactions will be presented in the following format:

Name of Interested Person	**Nature of relationship**	**Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under the Proposed IPT General Mandate)**	**Aggregate value of all Interested Person Transactions conducted under the Proposed IPT General Mandate (excluding transactions less than S$100,000)**

11.8. Abstention from Voting

Pursuant to Rule 919 of the SGX-ST Listing Manual, an interested person and any associate of the interested person shall abstain from voting on the resolutions approving the interested person transactions involving themselves and their associates. Such interested person and his associates shall not accept appointments as proxies in relation to such resolutions.

Accordingly, Shanghai YCT, Texin, Mr. Xie Lishu and Ms. Huang Shaoli will abstain, and will undertake to ensure that its associates will abstain, from voting on the resolutions to approve the adoption of the Proposed IPT General Mandate. In addition, Shanghai YCT, Texin, Mr. Xie Lishu and Ms. Huang Shaoli and their associates will also decline to accept appointments as proxies for any Shareholder unless specific instructions as to voting are given.

11.9. Opinion of the SG IFA

Pursuant to Chapter 9 of the SGX-ST Listing Manual, Stirling Coleman Capital Limited has been appointed as the SG IFA pursuant to Rule 920 of the SGX-ST Listing Manual to opine on whether the methods or procedures for determining the transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions pursuant to the Proposed IPT General Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Independent Shareholders.

Having considered, *inter alia*, the factors set out in section 3 of the SG IFA Letter, in particular the rationale for and benefits of the Proposed IPT General Mandate to the Group, the guidelines and review procedures for determining the pricing of the Mandated Transactions set up by the Company, the approval threshold limits, the additional guidelines and review procedures to be implemented, and the role of the Audit Committee in enforcing the guidelines and review procedures for the Proposed IPT General Mandate, which we deem to have significant relevance to our assessment of the Proposed IPT General Mandate, the SG IFA is of the opinion that, on balance, the methods and review procedures for determining transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Independent Shareholders. Accordingly, the SG IFA is of the view that the Audit Committee (whose members comprise the Independent Board Committee) should recommend that Shareholders vote in favour of the adoption of the Proposed IPT General Mandate to be proposed at the SGM.

A copy of the SG IFA Letter is set out at pages 57 to 73 of this Circular. Shareholders are advised to read the SG IFA Letter in its entirety and carefully consider it in the context of this Circular before deciding on whether to approve the adoption of the Proposed IPT General Mandate.

11.10. Opinion of the Audit Committee

Having reviewed the terms, rationale and benefits of the Proposed IPT General Mandate, the Audit Committee confirms that it concurs with the view of the SG IFA and is of the opinion that the guidelines and review procedures proposed by the Company for the Proposed IPT General Mandate as set out in Section 11.6 above are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and the Independent Shareholders. Shareholders are advised to read and consider the letter from the SG IFA as set out on pages 57 to 73 of this Circular.

12. SGM AND PROXY ARRANGEMENT

The Notice, which contains the ordinary resolutions relating to, among others, the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the adoption of the Proposed IPT General Mandate, is set out on pages SGM-1 to SGM-4 of this Circular.

A Proxy Form for use in connection with the SGM is enclosed. If you are unable to attend the SGM in person and wish to exercise your rights as a Shareholder, you are requested to complete the Proxy Form in accordance with the instructions printed thereon and return it (i) via post to the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 (for Shareholders in Singapore); or (ii) via post to the Company's Hong Kong Branch Registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong (for Shareholders in Hong Kong); or (iii) by electronic mail to srs.proxy@boardroomlimited.com (for all Shareholders) and deliver the original signed Proxy Form to the office of the Company's Singapore Share Transfer Agent or the office of the Company's Hong Kong Branch Registrar (as the case may be), as soon as possible but in any event no later than 72 hours before the time for holding the SGM or its adjournment (if any). Completion and return of the Proxy Form will not preclude you from attending and voting in person at the SGM or its adjournment (if any) should you so wish. Any appointment of proxy shall be deemed to be revoked should you attend and vote at the SGM or its adjournment (if any) in person.

Pursuant to bye-law 73 of the Bye-Laws, a resolution put to the vote of the general meeting shall be decided by way of a poll, save where permitted under the rules of the designated stock exchange (which means, for the time being, the SGX-ST and the Hong Kong Stock Exchange on which the Shares are listed and quoted/traded) as provided therein and the chairman may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every shareholder present in person, or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a shareholder which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Pursuant to Rule 730A(2) of the SGX-ST Listing Manual, all resolutions at general meetings of the Company shall be voted by poll. Accordingly, the resolutions set out in the Notice will be put to vote by way of a poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules and Rule 704(16) of the SGX-ST Listing Manual.

13. NOTICE OF CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of the Shareholders to attend and vote at the SGM:

For Hong Kong Shareholders, the Hong Kong Branch Register will be closed from Wednesday, November 25, 2026 to Friday, November 27, 2026, both days inclusive. During this period, no transfer of Shares will be registered. In order to qualify for attending and voting at the SGM, 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 Hong Kong Branch Registrar, 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 Tuesday, November 24, 2026.

For Singapore Shareholders, the share transfer books and the Singapore Branch Register will be closed at 5:00 p.m. on Tuesday, November 24, 2026. Duly completed registrable transfers of Shares received by the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632, up to and including 5:00 p.m. on Tuesday, November 24, 2026 will be registered to determine Singapore Shareholders' entitlements to attend and vote at the SGM.

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 Friday, November 13, 2026 for Hong Kong Shareholders and not later than 5:00 p.m. on Friday, November 13, 2026 for Singapore Shareholders.

14. RECOMMENDATIONS

14.1. Revision of Annual Caps

The Independent Board Committee has been established to advise the Independent Shareholders on whether the Revised Supply Annual Caps, the terms of the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed are fair and reasonable so far as the Independent Shareholders are concerned and the HK IFA has been appointed to advise the Independent Board Committee and the Independent Shareholders in that connection.

The text of the letter from the HK IFA containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 38 to 56 of this Circular and the text of the letter from the Independent Board Committee to the Independent Shareholders is set out on pages 36 to 37 of this Circular.

The Board (less the Abstained Directors) considers that the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board (less the Abstained Directors) recommends the Independent Shareholders to vote in favour of the relevant ordinary resolutions relating to the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed to be proposed at the SGM.

14.2. Adoption of the Proposed IPT General Mandate

Mr. Xie Lishu and Ms. Huang Shaoli, who are Directors of the Company, are controlling shareholders of the Company by virtue of their interests in Shanghai YCT. Accordingly, they have refrained from making any recommendation to Independent Shareholders in respect of the ordinary resolution relating to the adoption of the Proposed IPT General Mandate.

The Independent Board Committee, having considered, *inter alia*, the terms, rationale and benefits of the Proposed IPT General Mandate, and the opinion of the SG IFA, are of the opinion that the adoption of the Proposed IPT General Mandate is in the best interests of the Company. Accordingly, the Independent Board Committee recommend that Independent Shareholders vote in favour of the ordinary resolution relating to the adoption of the Proposed IPT General Mandate to be proposed at the SGM.

15. ADDITIONAL INFORMATION

Your attention is drawn to the letters from the Independent Board Committee and from the Independent Financial Advisers, which are respectively set out on pages 36 to 37 and pages 38 to 56 of this Circular. General information is also set out in Appendix I to this Circular.

Yours faithfully
For and on behalf of the Board of
WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED
XIE Lishu
Chairman and Executive Director

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)

November 11, 2026

To the Independent Shareholders

Dear Sir or Madam,

REVISION OF ANNUAL CAPS

We refer to the circular dated November 11, 2026 (the "**Circular**") of the Company of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context requires otherwise.

We, being the independent non-executive Directors constituting the Independent Board Committee, are writing to advise you as an Independent Shareholder on whether the Independent Board Committee is of the view that the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed are entered into in the ordinary and usual course of business of the Group, fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter from the Board as set out on pages 8 to 35 of the Circular and the letters from the HK IFA and the SG IFA as set out on pages 38 to 56 and pages 57 to 73 of the Circular, which contains, *inter alia*, their advice and recommendation to us regarding the terms of the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the Revised Supply Annual Caps with the principal factors and reasons for those advice and recommendation.

RECOMMENDATIONS

Having taken into account the advice and recommendation of the HK IFA and the SG IFA, we are of the view that, the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the Independent Board Committee

Chong Eng Wee **Lau Chin Huat** **Tso Sze Wai** **Jiang Maolin**

Independent Non-executive Directors

Set out below is the text of a letter received from Frontpage Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.

FRONTPAGE富比

11 November 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

REVISION OF ANNUAL CAPS FOR PREVIOUSLY FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS UNDER THE 2026 MASTER SUPPLY FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the independent financial advisers to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the 2026 Master Supply Framework Agreement, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 11 November 2026 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 1 January 2026 (after trading hours), the Company and Shanghai YCT have entered into the 2026 Master Supply Framework Agreement, pursuant to which the Company agreed, for and on behalf of the Group, to supply, and Shanghai YCT agreed, for and on behalf of the Shanghai YCT Group, to purchase certain semi-conductor electronic component products from time to time from the date of the agreement to 31 December 2026. The transactions contemplated thereunder constituted fully exempt continuing connected transactions for the Company at the relevant time based on the Original Supply Annual Cap.

After taking into account the actual transaction amounts and the expected business requirements of the Group for the remaining term, the Company expects that the Original Annual Caps will be insufficient to meet the needs of the Group. In view of the above, on 23 June 2026 (after trading hours), the Company and Shanghai YCT entered into the Supplemental Supply Deed to (i) increase the Original Supply Annual Cap to the Revised Supply Annual Caps; and (ii) to extend the term of the 2026 Master Supply Framework Agreement from one year to a term of three years ending 31 December 2028.

Shanghai YCT is the controlling shareholder of the Company interested in approximately 74.72% of the issued share capital of the Company through its indirect wholly-owned subsidiary, Texin, and is ultimately controlled by Mr. Xie Lishu, the Chairman and executive Director and his spouse, Ms. Huang Shaoli, a non-executive Director. As such, Shanghai YCT is a connected person of the Company and the transactions contemplated under the 2026 Master Supply Framework Agreement (as supplemented by the Supplemental Supply Deed) constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to Rule 14A.54(1) of the Hong Kong Listing Rules, if the Company proposes to revise the Original Supply Annual Cap, the Company will have to re-comply with the provisions of Chapter 14A of the Hong Kong Listing Rules applicable to the relevant continuing connected transactions.

As one or more of the applicable percentage ratios (as defined under the Hong Kong Listing Rules) relating to the Revised Supply Annual Caps under the 2026 Master Supply Framework Agreement exceed 5% and the transaction amounts are over HK$10,000,000 on an annual basis, the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the transactions contemplated thereunder are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

The Independent Board Committee, comprising Chong Eng Wee, Lau Chin Huat, Tso Sze Wai and Jiang Maolin, all being independent non-executive Directors, has been formed to consider, and to advise the Independent Shareholders in respect of the Revised Supply Annual Caps, the terms of the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed are fair and reasonable so far as the Independent Shareholders are concerned. Our role as the Independent Financial Adviser is to advise the Independent Board Committee and the Independent Shareholders in this regard.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have considered, among other things, (i) the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed; (ii) the annual report of the Company (the "**2025 Annual Report**") for the years ended 31 December 2025 ("**FY2025**") and the annual report of the Company (the "**2024 Annual Report**") for the nine months ended 31 December 2024 ("**FY2024**"); (iii) the interim report of the Company (the "**2026 Interim Report**") for the six months ended 30 June 2026 ("**1H2026**"); (iv) other information contained or referred to in the Circular; and (v) relevant market data and information available from public sources.

We have also relied on all relevant information, opinions and facts supplied and represented by the Company, the Directors and the management of the Company. We have assumed that all such information, opinions, facts and representations provided to us or contained or referred to in the Circular, for which the Company is fully responsible, were true and accurate in all respects as at the date hereof and may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, and the Company has confirmed that no material facts have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement therein misleading.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out independent verification of the information provided by the Directors and the representatives of the Company, nor have we conducted any form of in-depth investigation into the businesses, affairs, operations, financial position or future prospects of the Group, Shanghai YCT and any of their respective subsidiaries and associates.

OUR INDEPENDENCE

We are not connected with the Directors, chief executive and substantial shareholders of the Company, the Group, Shanghai YCT or any of their respective subsidiaries or associates and do not have any shareholding, direct or indirect, in any member of the Group, Shanghai YCT or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group or Shanghai YCT as at the Latest Practicable Date.

Aside from this engagement and our appointment as the independent financial adviser to the Company in relation to, 2026 Master Purchase Framework Agreement (which did not require the Independent Shareholders' approval under the Hong Kong Listing Rules), there was no other engagements between the Company and us within the last two years.

No arrangement exists whereby we will receive any benefits from the Group or the Directors, chief executive and substantial shareholders of the Company, the Group, Shanghai YCT or any of their respective subsidiaries or associates for our services to the Company in connection with the aforesaid engagements, aside from our professional fees. Therefore, we consider ourselves independent to act as the Independent Financial Adviser to the Company pursuant to Rule 13.84 of the Listing Rules.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations to the Independent Board Committee and Independent Shareholders, we have considered the following principal factors and reasons:

1. Information about the Group

1.1 Background information of the Group

The Group is principally engaged in the distribution of electronic components for use in the industrial, audio and video, telecommunications, home appliance, lighting, electronic manufacturing services and automotive segments, as well as the provision of engineering solutions.

1.2 Financial performance of the Group

A summary of the financial information of the Group for the year ended 31 December 2025 and the six months ended 30 June 2026, together with the respective comparative figures as extracted from the 2025 Annual Report and the 2026 Interim Report is set out below:

	Six months ended 30 June		Year ended 31 December	Nine months ended 31 December
	2026	**2025**	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(audited)	(audited)
Revenue	1,475,191	1,158,844	2,358,253	1,828,900
Gross profit	151,069	113,719	218,518	68,336
Profit/(losses) attributable to owners of the Company	61,470	20,726	50,958	(61,601)

For FY2025, the Group recorded a profit attributable to owners of the Company of HK$51.0 million, representing a robust turnaround from the net attributable loss of HK$61.6 million posted in FY2024. The significant improvement in the Group's financial performance during the FY2025 was primarily driven by a general improvement in gross profit margin to approximately 9.3% for FY2025, up from approximately 3.7% for FY2024. The margin expansion was largely due to a net reversal of allowance for inventories made in FY2025, which was mainly attributable to (i) the improved pricing due to recovering market demand; and (ii) the successful efforts to clear aged inventories.

The Group's revenue increased by 27.3% to HK$1,475.2 million in 1H2026 as compared to HK$1,158.8 million in relevant period in 2025 ("**1H2025**"). The Group recorded its profit to approximately HK$61.5 million for 1H2026 as compared to a profit of approximately HK$20.7 million for 1H FY2025. Such significant improvement in the Group's profit is mainly attributable to the significant improvement in sales revenue during 1H2026 as compared with 1H2025.

1.3 Financial position of the Group

Set out below is a summary of the financial position of the Group as at 31 December 2025 and 2024 and 30 June 2026 as extracted from the 2025 Annual Report and the 2026 Interim Report:

	As at 30 June	As at 31 December	
	2026	**2025**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
	(unaudited)	(audited)	(audited)
Non-current assets	216,726	211,789	233,051
Current assets	1,330,032	1,147,810	1,181,424
Total assets	**1,546,758**	**1,359,599**	**1,414,475**
Non-current liabilities	1,894	1,197	15,355
Current liabilities	966,409	850,978	980,848
Total liabilities	**968,303**	**852,175**	**996,203**
Net assets	**578,455**	**507,424**	**418,272**

As at 31 December 2025, the Group recorded a total assets of approximately HK$1,359.6 million, representing a decrease of approximately 3.9% as compared to that of approximately HK$1,414.5 million as at 31 December 2024. Such decrease was mainly attributable to the decrease in current assets as a result of the decrease in inventories during FY2025. The Group recorded a total liabilities of approximately HK$852.2 million as at 31 December 2025, representing a decrease of approximately 14.5% as compared to that of approximately HK$996.2 million as at 31 December 2024. Such decrease was mainly attributable to the decrease in current liabilities, which in turn was mainly attributable to the decrease in trade payables and loans from Shanghai YCT, partially offset by the increase in bank borrowings.

Accordingly, the Group recorded net assets of approximately HK$507.4 million as at 31 December 2025, representing an increase of approximately 21.3% as compared to that of approximately HK$418.3 million as at 31 December 2024.

As at 30 June 2026, the Group recorded a total assets of approximately HK$1,546.8 million, representing an increase of approximately 13.8% as compared to that of approximately HK$1,359.6 million as at 31 December 2025. Such increase was mainly attributable to the increase in current assets as a result of the increase in trade receivables during 1H2025. The Group recorded a total liabilities of approximately HK$968.3 million as at 30 June 2026, representing an increase of approximately 13.6% as compared to that of approximately HK$852.2 million as at 31 December 2025. Such increase was mainly attributable to the increase in current liabilities, which in turn was mainly attributable to the increase in trade payables and bank borrowings, partially offset by the decrease in loans from Shanghai YCT.

Accordingly, the Group recorded net assets of approximately HK$578.5 million as at 30 June 2026, representing an increase of approximately 14.0% as compared to that of approximately HK$507.4 million as at 31 December 2025.

2. Information about Shanghai YCT

Shanghai YCT is a well-known authorised distributor of electronic components and self-developed integrated circuit designer in the PRC. Shanghai YCT is engaged in the fields of automotive lighting, car cockpit and automobile wire-controlled chassis.

Shanghai YCT is headquartered in Shanghai, and its sales network covers the Asia-Pacific region. It has established offices in Kunshan, Shenzhen, Nanjing, Hangzhou, Tianjin, Hong Kong, Chongqing, and Foshan, as well as overseas offices in Seoul, South Korea, Singapore and India.

According to the 2025 annual report of Shanghai YCT, Shanghai YCT Group recorded a consolidated revenue of approximately RMB6,612.1 million for FY2025 (FY2024: approximately RMB3,609.9 million), representing an increase of 83.2% as compared with the previous year. Profit attributable to the shareholders of the company for FY2025 amounted to approximately RMB118.6 million (FY2024: approximately RMB99.4 million), representing an increase of 19.3% as compared with the corresponding period.

3. Principal terms of the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed)

On 23 June 2026, the Company entered into the Supplemental Supply Deed with Shanghai YCT to increase the Original Supply Annual Cap for supply of electronic components to Shanghai YCT Group and extend the contract period to the year ending 31 December 2028.

As extracted from the Letter from the Board, the principal terms of the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) are summarized below:

Date:	1 January 2026 (the 2026 Master Supply Framework Agreement)
	23 June 2026 (the Supplemental Supply Deed)
Parties:	(i) The Group as the supplier; and
	(ii) The Shanghai YCT Group as the purchaser

Nature of the transaction:	Subject to the terms and conditions of the 2026 Master Supply Framework Agreement and each relevant sales order, the Group agrees to supply to the Shanghai YCT Group a variety of semi-conductor electronic component products from time to time during the effective term of the 2026 Master Supply Framework Agreement
Effective term:	The effective term of the 2026 Master Supply Framework Agreement (as amended by the Supplemental Supply Deed) will commence from the date of conclusion of the SGM to 31 December 2028 (both days inclusive)
Condition Precedent:	The Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and transactions contemplated thereunder are conditional upon obtaining the necessary approval and consent under the Hong Kong Listing Rules and the SGX-ST Listing Manual, which includes the approval by the Independent Shareholders at the SGM
Pricing Policy:	The prices of the semi-conductor electronic component products will be determined on a cost-plus basis, which is determined by the costs of the products plus a mark-up to be agreed upon in accordance with the Company's usual business practices and pricing policy. The mark-up applied to the sales of products to the Shanghai YCT Group shall be determined with reference to the mark-up charged by the Group to independent third-party customers for identical products or, where such direct comparables are not available, for products of comparable quality, specifications and quantities. In all cases, the mark-up applied to products offered to Shanghai YCT Group shall be not less favourable than those offered to independent third-party customers for similar products. In the event that comparable products are not available from historical transactions offered to independent third-party customers, the mark-up will be determined with reference to the published market selling prices or quotes of comparable products obtained from independent electronic component distributors, online platforms, or suppliers.

In determining the pricing, the Group shall also take into account the direct costs of the semi-conductor electronic component products acquired by the Group. The mark-up is generally subject to a minimum of approximately 1.5%, while the overall mark-up is estimated to be in the range of approximately 6.9% to 16.6%, having regard to the (i) gross profit margin of historical transactions involving the supply of similar semi-conductor electronic component products to other independent third party customers; and (ii) the credit terms on which the products are supplied.

In order to ensure the terms of sales are in line with prevailing market rates and conditions, the Group will compare the selling prices of at least two comparable transactions involving semi-conductor electronic component products (or, where such transactions are not available, similar products) sold to independent third party customers, not less frequently than on a quarterly basis. The Group shall have the right to accept or reject the purchase transactions from Shanghai YCT Group after taking into account the Group's interests in undertaking the purchase transactions. The transactions shall be settled at such time and in such manner as specified in the relevant sales orders.

We have discussed the pricing policy as stated above with the management of the Group (the "**Management**"). The Management confirmed that, subject to practical availability and feasibility, the Group compares the profit margins of relevant products against at least two similar products sold to Independent Third Parties on at least a quarterly basis. This process ensures that all sales terms and pricing align with prevailing market rates and conditions prior to executing transactions with the Shanghai YCT Group. Where sufficient comparable transactions are unavailable, pricing is determined on a cost-plus basis, referencing published market selling prices or quotes of comparable products obtained from independent electronic component distributors, online platforms, or suppliers.

In order to assess the fairness and reasonableness of the pricing policy, we obtained a full list of all transactions made between the Group and the Shanghai YCT Group from 1 January 2025 to 31 May 2026 (the "**Review Period**"), which covered (i) the entire term of 2025 Master Supply Framework Agreement and (ii) the commencement of the term 2026 Master Supply Framework Agreement till the date of signing of the Supplemental Supply Deed. From the above list of transactions, we noted that there were no transactions in December 2025 and April and May 2026 conducted as the annual caps under the 2025 Master Supply Framework Agreement and 2026 Master Supply Framework Agreement were mostly utilised at material time and we selected the highest-value transaction for each month during the Review Period (14 selected transactions out of 309 transactions in total). We then obtained and reviewed the corresponding 14 sets of monthly invoices issued by the Group to the Shanghai YCT Group, to understand the pricing process and verify its consistency across all relevant subsidiaries.

Based on our review of 14 selected transaction samples, we noted that for the majority of cases (10 out of 14), the Group successfully identified at least two comparable transactions to determine cost-plus pricing, with mark-up margins benchmarked against similar products sold to Independent Third Parties within the preceding three months. Our examination of the relevant profit margins for these 10 samples confirmed that their profit margins were no less favorable than those offered to independent customers for similar products. For the remaining 4 samples where sufficient comparable transactions were unavailable for direct comparison due to the absence of transactions involving identical products or products of comparable specifications, quality, and volume within the preceding three-month period, we verified that their mark-up margins or selling prices were determined with reference to the published market selling prices or quotes of comparable products obtained from independent electronic component distributors. Among these 4 samples, the mark-up margins of 3 samples were no less favorable than those confirmed by the suppliers for those specific products, while the mark-up margin for the remaining sample (of approximately 60.0%) exceeded the high-end of the overall target mark-up range (being 6.9% to 16.6%) stipulated under the pricing policy. As such, we concur with the Management that the transactions conducted under the 2026 Master Supply Framework Agreement have been carried out in accordance with the pricing policy.

We consider the selected samples and the sample size (i.e. 14 selected transactions out of 309 transactions in total) which accounts for more than 30% of the total aggregate transaction value for the Review Period to be sufficient and representative for the purpose of assessing the pricing policy under the 2026 Master Supply Framework Agreement, given that: (i) the objective of our review is to understand the process of the pricing guidelines and the whole process of the transactions contemplated under the 2026 Master Supply Framework Agreement; (ii) the transaction population during the Review Period exhibits a high degree of value concentration and we have selected the highest-value transaction for each month during the Review Period independently from the full transaction list; (iii) samples were systematically selected from every month throughout the Review Period, which effectively demonstrates the continuous and consistent application of the pricing policy across different timeframes since the commencement of the 2025 Master Supply Framework Agreement; (iv) the selected samples covered the key transaction parties within the Shanghai YCT Group that accounted for over 90% of the total aggregate sales to the Shanghai YCT Group within the complete transaction summary; (v) the selection encompassed both comparable and non-comparable products, thereby covering the diverse pricing mechanisms and comparable scenarios set out under the pricing policy; and (vi) all selected samples were conducted in accordance with the relevant pricing policy, with no discrepancies identified.

Having considered the above, we are of the view that the terms of the Supplemental Supply Deed (with the same terms as 2026 Master Supply Framework Agreement) are on normal commercial terms, and fair and reasonable so far as the Independent Shareholders are concerned.

Historical amounts and annual caps

Set out below are the existing annual caps and historical transaction amounts in respect of the transactions under the 2025 and 2026 Master Supply Framework Agreement, and the Revised Supply Annual Caps for the years ending 31 December 2026, 2027 and 2028 respectively.

	For the year ended 31 December 2025	**For the year ending 31 December**		
		2026	**2027**	**2028**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*	*(HK$'000)*
Existing Annual Caps	7,900	2,999		
Historical transaction amount	7,523	2,914 (For the period from 1 January 2026 to 31 May 2026)	N/A	N/A
Utilization rate	95.2%	97.2%	–	–
Revised Annual Caps	N/A	70,000	70,000	70,000

As stated in the Letter of the Board, the Revised Supply Annual Caps have been determined with reference to (i) the transaction amount for the five months ended 31 May 2026 of approximately HK$2.9 million; (ii) the industry's steady recovery since early 2025, driven by the shortage of mid-to-high-end chips in the new energy vehicles and industrial control sectors and robust demand from high-growth segments such as artificial intelligence servers and optical modules, which have contributed to a significant increase in demand for the Group's products, as well as the projected and anticipated demand from Shanghai YCT Group for the Group's semi-conductor electronic component products for the remaining term of the 2026 Master Supply Framework Agreement, taking into account actual orders of approximately HK$24.8 million as of 31 May 2026, and deriving an annualised estimate of approximately HK$66 million by projecting the aggregate of the HK$2.9 million and the HK$24.8 million over a five month period to a full year period; and (iii) a buffer of approximately 6% to cater for possible exchange rate fluctuations between Renminbi and Hong Kong dollars, as the Group's reporting currency for its financial statements is in Hong Kong dollars. Such buffer was determined with reference to the historical fluctuation of the Renminbi/Hong Kong dollar exchange rate during 2025, which exhibited a peak-to-trough movement of approximately 5.4%, and was rounded up to 6% as a prudent allowance for potential future exchange rate fluctuations.

The historical transaction amount for the year ended 31 December 2025 of approximately HK$7.52 million does not fully reflect the actual demand for the relevant products. In determining the supply annual cap for the year ended 31 December 2025, the Company took into account the applicable thresholds under Chapter 9 of the SGX-ST Listing Manual and the aggregate value of all other interested person transactions (excluding transactions which are less than S$100,000) entered into or expected to be entered into with the Shanghai YCT Group during the year. As a result, approximately HK$7.9 million was allocated to the supply annual cap for the year ended 31 December 2025. Accordingly, the historical transaction amount is principally reflective of such allocation, rather than the actual business demand for the relevant products. The Revised Supply Annual Caps will therefore be a more accurate reflection of the expected actual demand as described above.

As illustrated in the table above, the utilization rates of the historical annual caps for the supply of semiconductor electronic component products under the 2025 and 2026 Master Supply Framework Agreements were approximately 95.2% for the year ended 31 December 2025 and approximately 97.2% for the year ending 31 December 2026. Therefore, these historical caps are considered to have been substantially fully utilized and is not sufficient to support the actual business demand.

To assess the fairness and reasonableness of the Revised Annual Caps, we have reviewed: (i) the schedules prepared by Management regarding the Group's historical transaction amounts with the Shanghai YCT Group from 2025 up to 31 May 2026; (ii) the schedules prepared by Management regarding the confirmed demand from the Shanghai YCT Group as at 31 May 2026; and (iii) the calculations and discussed with the Management the key assumptions adopted in projecting demand for the years ending 31 December 2026, 2027 and 2028. Based on our review, we understand that the Directors have taken into account the following factors:

(i) Actual Transaction Levels in Early 2026

- *The actual transaction amount*

  The Group recorded actual sales of approximately HK$2.9 million to the Shanghai YCT Group for the five months ended 31 May 2026. We noted that the Group did not record any sales to the Shanghai YCT Group in April and May 2026. The Management advised that this cessation of sales was due to the constraints of the Original Annual Cap of HK$2,999,999 for the year ending 31 December 2026 under the 2026 Master Supply Framework Agreement.

- *Confirmed demand from the Shanghai YCT Group*

  Due to the limitations imposed by the Original Supply Annual Cap, outstanding demand since March 2026 was deferred. Consequently, as at 31 May 2026, the Group had accumulated confirmed demands amounting to approximately HK$24.8 million from sales to the Shanghai YCT Group. Management indicated that these confirmed demands are backed by the Shanghai YCT Group's downstream demand primarily from its independent existing customers in the PRC operating across various sectors, including automotive electronics, consumer electronics, power and energy, instrumentation, industrial automation, electronic manufacturing services (EMS), and telecommunications and networking. Accordingly, corresponding formal sales orders are expected to be executed once the Revised Supply Annual Caps are approved. As discussed with the Management, although the confirmed demands received from the Shanghai YCT Group are not legally binding, they provide a reasonable and justifiable basis for projecting the overall demand for the year ending 31 December 2026, given the long-standing corporate relationship between the parties.

(ii) Projected demand for the year ending 31 December 2026

The Management estimated the total demand from Shanghai YCT Group for the five months ended 31 May 2026 to be approximately HK$27.5 million. This figure was derived by combining the actual sales from the five months ended 31 May 2026 with the accumulated confirmed demand as of 31 May 2026. By extrapolating this five months baseline, the Management projected the total demand for the year ending 31 December 2026 to be approximately HK$66.0 million, which is expected to remain stable across the subsequent periods.

To assess the reasonableness of extrapolating this five-month baseline to project full-year demand, we evaluated potential seasonality effects by reviewing the sales schedules for the Review Period. We observed an overall increase in supply during the second half of 2025 compared to the first half of 2025, except for the absence of recorded sales in December 2025, which was strictly attributable to the constraints of the historical annual caps. The average monthly sales during the second half of 2025 recorded an approximately 192.2% increase, as compared to that of the first half of 2025. As advised by the Management, this increase in supply was in line with the upward growth trend of overall sales of Shanghai YCT Group over the same period, as reflected in their published annual financial results. This growth momentum further accelerated in the first quarter of 2026 and is expected to continue throughout the remainder of 2026. Accordingly, we consider it reasonable to assume that demand from Shanghai YCT Group will continue steadily for the remainder of 2026. Consequently, we are of the view that the Directors' demand projections for the years ending 31 December 2026 to 2028, derived from the actual sales figures and confirmed demand requests, are prudent and justifiable.

(iii) Application of a 6% buffer for currency fluctuations

In arriving the Revised Supply Annual Caps, the Management has further applied a 6% buffer to the estimated demand for the year ending 31 December 2026 to accommodate potential RMB/HKD currency fluctuations. We note that this buffer is based on the annual volatility of RMB/HKD of approximately 6% recorded in 2025. In our view, the application of this buffer is reasonable and justifiable.

In light of the foregoing, we are of the view that the Revised Supply Annual Caps has been formulated with sufficient and reasonable basis and we concur with the Directors' view that the Revised Supply Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

4. Reasons and benefits of entering into the 2026 Master Supply Framework Agreement and the Revised Supply Annual Caps

Following the expiry of the 2025 Master Supply Framework Agreement, the Independent Board has assessed the outcome of the transactions contemplated thereunder and considered that the transactions were carried out in a satisfactory manner and complied with the internal control measures implemented.

The Independent Board also continued to monitor the latest market developments and the financial position of the Group following the expiry of the 2025 Master Supply Framework Agreement. In assessing the 2026 Master Supply Framework Agreement, the Independent Board considered the Group's improved financial performance in 2025, including a 45% increase in revenue from the automotive segment revenue as compared with the nine months ended 31 December 2024, which was partly attributable to the successful clearance of slow-moving inventory and the resulting improvement in inventory turnover. The inventory turnover days significantly decreased to 1.9 months as at 31 December 2025, from 2.2 months as at 31 December 2024. The Independent Board also noted the strengthening of the Group's financial position, as reflected by the reduction in its net gearing ratio from 139.9% as at 31 December 2024 to 94.0% as at 31 December 2025. In light of the foregoing, the Independent Board considers that the 2026 Master Supply Framework Agreement will continue to provide the Group with an additional and readily accessible sales channel through the Shanghai YCT Group's established customer network thereby contemplating the Group's existing sales channels. The Independent Board further notes that the Group maintains a diversified customer base across multiple industry sectors and multiple sales channels independent of the Shanghai YCT Group, and continues to expand its customer base and explore new market opportunities through the optimisation of its product mix. The Independent Board does not consider that the transactions contemplated under the 2026 Master Supply Framework Agreement would result in any material reliance by the Group on the Shanghai YCT Group. In evaluating this assessment, we have analyzed the Revised Supply Annual Caps (i.e. HK$70.0 million) against the Group's historical financial performance. We noted that: (i) the Revised Supply Annual Caps represent less than 3% of the Group's total sales for FY2025; and (ii) the Group has recorded a sales growth of approximately 27.3% for 1H2026 as compared to 1H2025, and such increase amounted to approximately 4.5 times the value of the Revised Supply Annual Caps. Accordingly, as the transactions will be bound by the Revised Supply Annual Caps, the maximum potential revenue generated from these transactions is not expected to

constitute a material portion of the Group's total projected revenue for FY2026. As such, we concur with the Independent Board that notwithstanding the increase in the proposed Revised Supply Annual Caps, the Group will not be materially reliant on the Shanghai YCT Group.

The Independent Board further considers that the 2026 Master Supply Framework Agreement will enhance the Group's flexibility in responding to recovering market demand and support the continued optimisation of inventory levels, including the disposal of slow-moving and excess inventory. In addition, the entry into the 2026 Master Supply Framework Agreement is expected to also generate additional revenue for the Group and strengthen the Group's ability to cope with the competitive market environment. Accordingly, the Independent Board is of the view that the 2026 Master Supply Framework Agreement represents a valuable commercial opportunity for the Group and is in the interests of the Company and its shareholders as a whole.

After taking into account the actual transaction amounts and the expected business needs of the Group for the remaining term, the Company expects that the Original Supply Annual Cap shall no longer meet the needs of the Group and shall be soon exceeded. As such, the Company and Shanghai YCT entered into the Supplemental Supply Deed to increase the Original Supply Annual Cap to the Revised Supply Annual Caps for the three years ending 31 December 2028.

Further advised by the Management, the Group has established a strong historical business relationship with Shanghai YCT Group. As a result, the Group understands and can effectively accommodate their specific operational needs, including product mix, pricing structures, quantity requirements, and delivery terms. The Directors believe that the proposed Revised Supply Annual Caps under the 2026 Master Supply Framework Agreement will secure stable revenue and profit streams for the Group for the financial years ending 31 December 2026, 2027 and 2028.

Having considered the above reasons, we are of the view that the terms of the Supplemental Supply Deed and the Revised Supply Annual Caps are on normal commercial terms and in the ordinary and usual course of business of the Company, fair and reasonable so far as the Independent Shareholders are concerned, and in the interest of the Company and the Shareholders as a whole.

5. NON-COMPETITION UNDERTAKINGS

The Abstained Directors have provided non-competition undertakings in favour of the Company effective upon their appointment. As disclosed in the announcement dated May 19, 2023, the non-competition undertakings are intended to manage potential conflicts of interest arising from Mr. Xie Lishu's and Ms. Huang Shaoli's respective roles in both the Company and Shanghai YCT, given their similar business models, geographical presence, and overlapping suppliers and customers. The non-competition undertakings include, among others, measures such as restricting Mr. Xie Lishu and Ms. Huang Shaoli from participating in the Company's management where competition exists, requiring them to abstain from voting on conflicted matters, and granting the Company a right of first refusal on relevant business opportunities. In addition, the non-competition undertakings mandate annual compliance declarations by Mr. Xie Lishu and Ms. Huang Shaoli, independent board oversight, and disclosure obligations by the Company in its annual reports to Shareholders.

In accordance with the non-competition undertakings:

(i) each Abstained Director has recused himself/herself from participating in the discussions and abstained from voting on the resolutions of the Board for approving the entry into the 2026 Master Supply Framework Agreement, the 2026 Master Purchase Framework Agreement, the Supplemental Supply Deed, the Supplemental Purchase Deed, the Revised Supply Annual Caps and the transactions contemplated thereunder;

(ii) the Independent Board was responsible for deciding, in the absence of the Abstained Directors, regarding the 2026 Master Supply Framework Agreement, the 2026 Master Purchase Framework Agreement, the Supplemental Supply Deed, the Supplemental Purchase Deed, the Revised Supply Annual Caps and the transactions contemplated thereunder; and

(iii) the independent non-executive Directors have been provided with the financial information and other information and professional advice they have requested in relation to the 2026 Master Supply Framework Agreement, the 2026 Master Purchase Framework Agreement, the Supplemental Supply Deed, the Supplemental Purchase Deed and the Revised Supply Annual Caps, in order to make an informed decision.

Based on the assessment by the Independent Board, the Independent Board considers that the Abstained Directors have complied with the non-competition undertakings.

Taking into account the Overlap Limit and related internal control measures governing transactions involving identical products under overlapping brands, together with the non-competition undertaking executed by Mr. Xie Lishu and Ms. Huang Shaoli in favour of the Company, the Company considers that the Group and Shanghai YCT Group do not compete with each other in any material respect.

In evaluating this assessment, we have analyzed the Overlap Limit, being 3% of the aggregated transaction amount under the 2026 Master Supply Framework Agreement, against the Group's historical financial performance. We noted that the Overlap Limit under the 2026 Master Supply Framework Agreement represents less than 0.1% of the Group's total sales for FY2025. In addition, we discussed the internal control procedures regarding the Overlap Limit with Management. We understand that the Company's risk management manager will review the relevant sales figures and approve each transaction in the enterprise resource planning (ERP) system prior to execution to ensure that the aggregate value of such transactions does not exceed the Overlap Limit in any given year. Accordingly, as transactions involving identical products under overlapping brands will be strictly bound by the Overlap Limit, the maximum potential revenue generated from these transactions is expected to remain minimal. In view of the above, we concur with the view of the Company that the Group and Shanghai YCT Group do not compete with each other in any material respect.

6. Internal Control Measures

In order to ensure that the terms under the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) are no less favourable than those offered by independent third parties, the Company has implemented internal control procedures and policies to monitor the continuing connected transactions and to ensure that all continuing connected transactions are entered into in accordance with pricing policies and are fair and reasonable in the interests of the Company and the Shareholders as a whole. Such measures include:

(i) the product manager of the sales and marketing department (the "**Product Manager**") will conduct regular checks (at least on a quarterly basis) to review and assess whether the continuing connected transactions are conducted in accordance with the sales orders under the 2026 Master Supply Framework Agreement, and will also regularly update the market prices (at least on a quarterly basis) for the purpose of considering if the prices charged for a specific transaction are fair and reasonable and in accordance with the respective pricing policies;

(ii) will engage its external auditor to report on the continuing connected transactions every financial year. The external auditor will provide a letter to the Board confirming the matters required under the Hong Kong Listing Rules including whether the continuing connected transactions are carried out in accordance with the relevant pricing policies and an annual review on the terms and annual caps of the continuing connected transactions; and

(iii) the independent non-executive Directors will also conduct an annual review regarding the effectiveness of the implementation and enforcement of the internal controls monitoring the continuing connected transactions.

The Product Manager will be responsible for determining the selling price and reviewing the gross profit margin (by comparing selling prices of similar semi-conductor electronic component products sold to other customers of the Group which are independent third parties for every sales order) to ensure the prices of the sales orders under the 2026 Master Supply Framework Agreement are in line with the pricing policies. The Product Manager shall determine whether the terms of the continuing connected transactions are fair and reasonable and conducted in accordance with the 2026 Master Supply Framework Agreement.

To ensure the continuing connected transactions will not exceed the respective annual caps, the Company's risk management manager shall check the sales amount at the enterprise resource planning system to ensure the approved annual caps would not be exceeded. Each relevant department shall nominate a senior manager/staff to be the responsible person (the "**Responsible Person(s)**") to report to the company secretary of the Company (the "**Company Secretary**") on a monthly basis, the value of the continuing connected transactions. The Company Secretary will also liaise with the Group's finance department each month to verify the actual transaction amounts. In the event that the Responsible Person receives any information that the approved annual cap may be exceeded, such information will also be

reported, alongside with the proposed response (i.e. revision of the annual cap(s)) to the Company Secretary, where such information shall be compiled and presented to the Board for deliberation and approval (with Directors having an interest in the transaction under consideration abstaining from such deliberation, review and approval process), and the Company will comply with the relevant announcement and/or shareholders' approval requirements in accordance with the Hong Kong Listing Rules and the SGX-ST Listing Manual.

We discussed the internal control procedures with Management and confirmed that they fully understood and adhered to these protocols to ensure the pricing of the sales orders are in line with the pricing policies when conducting transactions under the 2025 and 2026 Master Supply Framework Agreements. As advised by Management, upon receiving a demand from the Shanghai YCT Group, the Sales and Marketing Department preliminarily discusses the intended quotation price for each product with the Shanghai YCT Group. The intended price is then submitted by the Sales Department to the Product Manager (or previously, the President of the Sales and Marketing Department) for approval before the sales orders are confirmed. The Product Manager (or previously, the President of the Sales and Marketing Department) is responsible for determining the final selling price and reviewing the gross profit margin by comparing the selling price of each order against similar semiconductor electronic component products sold to Independent Third Parties. This workflow guarantees that the pricing of all sales orders under the 2026 Master Supply Framework Agreement strictly complies with the pricing policies.

To evaluate how these procedures were practically executed, we obtained and reviewed sample confirmation records of the highest-value transaction for each month during the Review Period (14 selected transactions out of 309 transactions in total), signed by the President of the Sales and Marketing Department. These records confirmed that the prices of the sales orders issued to Shanghai YCT Group under the 2025 and 2026 Master Supply Framework Agreement strictly align with the Company's pricing policies. We consider the selected samples and the sample size to be sufficient and representative for the purpose of assessing control effectiveness under the 2026 Master Supply Framework Agreement, given that: (i) the transaction population during the Review Period exhibits a high degree of value concentration and we have selected the highest-value transaction for each month during the Review Period independently from the full transaction list; (ii) the selected samples covered transactions in every month throughout the Review Period, which effectively demonstrates the continuous and consistent application of the pricing policy across different timeframes since the commencement of the 2025 Master Supply Framework Agreement; (iii) the selected samples covered the key transaction parties within the Shanghai YCT Group that accounted for over 90% of the total aggregate sales to the Shanghai YCT Group within the complete transaction summary; (iv) every transaction under the 2025 and 2026 Master Supply Framework Agreements shared the identical internal control framework; (v) the primary objective of our review was to understand and verify the practical implementation of the control mechanism; and (vi) all reviewed samples were executed in compliance with the relevant internal control protocols and therefore no further samples were required.

The Management also advised that, in light of rising transaction volumes with the Shanghai YCT Group, individual Product Managers (each overseeing different brands or product lines) will now be responsible for confirming selling prices and reviewing gross profit margins. In view of the above, we concur with the Directors' view that the current internal control measures, enhanced by this expanded division of supervisory labor, are effective and sufficient to ensure that all future sales orders under the 2026 Master Supply Framework Agreement strictly align with the Company's pricing policies.

We also obtained and reviewed three samples of monthly sales reports (out of a total population of 17 months during the Review Period) prepared by the sales team for submission to the company secretary, as well as records of the verification of actual transaction amounts conducted between the company secretary and the finance department. We consider that such a sample size is sufficient and representative relative to the total population of 17 months given that (i) the control mechanism followed the same internal control procedures consistently throughout the Review Period; (ii) the primary objective of our review was to verify the practical implementation of the control mechanism; and (iii) all reviewed samples were executed in compliance with the relevant internal control protocols. It was further noted that these procedures enabled the Management to identify in advance that the annual caps might be exceeded in December 2025 and since March 2026 and to monitor transactions during these periods to ensure compliance with the announced or approved annual caps. Accordingly, we concur with the Directors' view that the Group's monthly monitoring and reporting internal control measures are effective and sufficient to prevent any unauthorized breach of the revised annual caps going forward.

Furthermore, based on the independent assurance report on continuing connected transactions issued by the external auditor engaged by the Company, we are not aware of any non-compliance with the internal control measures outlined above.

Based on the above reasons, we are of the view that proper internal control procedures are in place to ensure that the transactions contemplated under the 2026 Master Supply Framework Agreement (as amended and supplemented by the Supplemental Supply Deed) will be conducted on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and on normal commercial terms or better and in the ordinary and usual course of business of the Group.

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, we are of the view that the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement and the Supplemental Supply Deed are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable insofar as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, we would recommend that the Independent Board Committee advise the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the upcoming SGM to approve Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Frontpage Capital Limited
Wu Man Kit
Director

Mr. Wu Man Kit is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Frontpage Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 13 years of experience in corporate finance.

LETTER FROM THE SINGAPORE IFA TO THE INDEPENDENT BOARD AND AUDIT COMMITTEE OF WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

STIRLING COLEMAN CAPITAL LIMITED
(Company Registration No.: 200105040N)
9 Raffles Place, Level 6
Republic Plaza
Singapore 048619

11 November 2026

To: The Independent Board (defined herein) and the Audit Committee of Willas-Array Electronics (Holdings) Limited (the "**Company**"), whose member comprises:

Mr. Chong Eng Wee;
Mr. Lau Chin Huat;
Mr. Tso Sze Wai; and
Mr. Jiang Maolin

Dear Sirs,

INDEPENDENT FINANCIAL ADVISER'S ADVICE IN RESPECT OF A PROPOSED GENERAL MANDATE FROM SHAREHOLDERS IN RELATION TO THE MANDATED INTERESTED PERSON TRANSACTIONS CONTEMPLATED UNDER THE 2026 MASTER SUPPLY FRAMEWORK AGREEMENT (AS AMENDED BY THE SUPPLEMENTAL SUPPLY DEED) AND THE 2026 MASTER PURCHASE FRAMEWORK AGREEMENT (AS AMENDED BY THE SUPPLEMENTAL SUPPLY DEED) ENTERED INTO BETWEEN THE COMPANY AND INTERESTED PERSONS (THE "PROPOSED IPT GENERAL MANDATE")

*For the purpose of this letter ("**IFA Letter**"), capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 11 November 2026 to Shareholders (the "**Circular**").*

1 INTRODUCTION

Following the expiry of the 2025 Master Purchase Framework Agreement and 2025 Master Supply Framework Agreement on 31 December 2025, the Company had on 1 January 2026 entered into the following agreements:

1) An agreement with Shanghai YCT Electronics Group Co., Ltd. ("**Shanghai YCT**") pursuant to which the Company and its subsidiaries (the "**Group**") agreed to purchase certain semi-conductor electronic component products from Shanghai YCT and its subsidiaries but excluding the Group (the "**Shanghai YCT Group**") from time to time from the date of the agreement to 31 December 2026 (the "**2026 Master Purchase Framework Agreement**").

2) An agreement with Shanghai YCT pursuant to which the Group agreed to supply certain semi-conductor electronic component products to Shanghai YCT Group from time to time from the date of the agreement to 31 December 2026 (the "**2026 Master Supply Framework Agreement**")

(together, the "**Framework Agreements**").

After taking into account the actual transaction amounts and the expected business requirements of the Group for the remaining term, the Company expects that the Original Annual Caps for the above continuing connected transactions will be insufficient to meet the needs of the Group. On June 23, 2026, the Company and Shanghai YCT entered into the Supplemental Supply Deed to (i) increase the Original Supply Annual Cap to the Revised Supply Annual Caps; and (ii) to extend the term of the 2026 Master Supply Framework Agreement from one year to a term of three years ending 31 December 2028.

Shanghai YCT is an Interested Person

As at the Latest Practicable Date, Shanghai YCT is a controlling shareholder (as such term is defined under the SGX-ST Listing Manual) of the Company holding deemed interest in 76,955,745 Shares, representing approximately 74.72% of the issued share capital of the Company. Such deemed interests arise from the Shares held through Texin, an indirect wholly-owned subsidiary of Shanghai YCT. As such, Shanghai YCT is an interested person of the Company within the meaning of Chapter 9 of the SGX-ST Listing Manual and accordingly, the transactions contemplated under the Framework Agreements constitute interested person transactions within the meaning of Chapter 9 of the SGX-ST Listing Manual.

Proposed IPT General Mandate for the Continuing Connected Transactions

Under the Framework Agreements and as proposed to be amended by the Supplemental Supply Deed, the Group will from time to time, enter into the following recurring transactions in the ordinary course of business:

(i) Sale of certain semi-conductor electronic component products to the Shanghai YCT Group, subject to an annual cap of HK$70 million; and

(ii) Purchase of certain semi-conductor electronic component products from the Shanghai YCT Group, subject to an annual cap of HK$9,999,999

(together, the "**Continuing Connected Transactions**").

Rule 920 of the SGX-ST Listing Manual allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. Such a general mandate is subject to annual renewal.

Due to the time-sensitive and recurring nature of the Continuing Connected Transactions, and the need for smooth and efficient conduct of business, the Company is seeking a general mandate from its shareholders (the "**Proposed IPT General Mandate**") to cover these transactions to be undertaken between the Group and Shanghai YCT Group (the "**Mandated Transactions**").

Stirling Coleman Capital Limited ("**SCCL**") has been appointed as the independent financial adviser (the "**IFA**") to express an opinion on whether the methods and review procedures of the Company for determining transaction prices in the Proposed IPT General Mandate, if adhered to, are sufficient to ensure that the Mandated Transactions covered under the Proposed IPT General Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Independent Shareholders.

This IFA Letter sets out our evaluation of, and our opinion in respect of, the methods and review procedures to be covered under the Proposed IPT General Mandate.

2 TERMS OF REFERENCE

We have prepared this IFA Letter pursuant to Listing Rules 920(1)(b)(v) for inclusion in the Circular, as well as for the use of the members of the Board who do not have interest in the transactions (the "**Independent Board**") and the Audit Committee in connection with their consideration of the Proposed IPT General Mandate for the Mandated Transactions and their advice and recommendation to the Independent Shareholders in respect thereof. The recommendations made to the Independent Shareholders in relation to the Proposed IPT General Mandate remain the responsibility of the Audit Committee.

We were not involved in any aspect of the negotiations in relation to the Framework Agreements, the Supplemental Supply Deed and the Mandated Transactions (which comprise the Continuing Connected Transactions contemplated under the Framework Agreements), and the inclusion of the Mandated Transactions under the Proposed IPT General Mandate, nor were we involved in the deliberations leading up to the decision on the part of the directors of the Company (the "**Directors**") to include the Mandated Transactions under the Proposed IPT General Mandate. Accordingly, we do not, by this IFA Letter, warrant the merits of the Mandated Transactions and the Proposed IPT General Mandate other than to express an opinion on whether the methods and review procedures for determining transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Independent Shareholders.

For the purposes of arriving at our opinion, we have considered the methods and review procedures of the Company for determining transaction prices of the Mandated Transactions and the additional internal control procedures set out in the Proposed IPT General Mandate, but our terms of reference do not require us to evaluate or comment on the rationale for, legal, strategic and commercial risks and/or merits (if any) of the Mandated Transactions or the Proposed IPT General Mandate, or on the future financial performance or prospects of the Group, or to compare the relative merits of the Mandated Transactions or the Proposed IPT General Mandate with alternative transactions considered by the Company (if any) or which may otherwise be available to the Company currently or in the future, and we have not made such evaluations or comments. Such evaluations or comments shall remain the responsibility of the Directors and the management of the Company ("**Management**"), although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

In formulating our opinion and recommendation, we have held discussions with the Directors and the Management and have examined publicly available information and we have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Company and its other professional advisers.

We have relied upon the assurance of the Directors and the Management that all statements of fact, opinion and intention made by the Directors and the Management in the Circular have been reasonably made after due and careful enquiry. We have also relied upon the assurance of the Interested Persons that all statements of fact, opinion and intention made by them relating to the Interested Persons as well as any other information relating to the Interested Persons in the Circular have been reasonably made after due and careful enquiry. We have not independently verified such information but have made such reasonable enquiries and exercised our judgement as we deemed appropriate on such information and have no reason to doubt the accuracy or reliability of the information used for the purposes of our evaluation. Accordingly, we cannot and do not expressly and impliedly represent or warrant, and do not accept any responsibility for the accuracy, or completeness or adequacy of such information or the manner in which it has been classified or presented or the basis of any valuation which may have been included in the Circular or announced by the Company. The information which we relied on were based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date and may change significantly over a relatively short period of time. Accordingly, we do not express an opinion herein as to the prices at which the Shares of the Company may trade upon or after the completion of the Proposed IPT General Mandate.

Our opinion set out in this IFA Letter is based upon market, economic, industry, monetary and other applicable conditions prevailing on, as well as information made available to us as at, the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent developments after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcements which may be released by the Company after the Latest Practicable Date which are relevant to the Mandated Transactions and/or the Proposed IPT General Mandate.

In rendering our services, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise you to recommend that any individual Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion in relation to the methods and review procedures for determining transaction prices of the Mandated Transactions, should be considered in the context of the entirety of this IFA Letter and the Circular. Where information in this IFA Letter has been extracted from the Circular, Shareholders are urged to read the corresponding sections in the Circular carefully.

3 THE PROPOSED IPT GENERAL MANDATE

Under Chapter 9 of the Listing Manual, where a listed company or any of its subsidiaries or any of its associated companies which is an entity at risk proposes to enter into transactions with the listed company's interested persons, the listed company is required to seek independent shareholders' approval if the value of the transaction (either in itself or aggregated with the value of other transactions with the same interested person) is equal to or exceeds 5.0% of the group's latest audited NTA. For the avoidance of doubt, the requirement for independent shareholders' approval does not apply to any transaction below S$100,000.

Chapter 9 of the Listing Manual allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons. A general mandate is subject to annual renewal.

Information on the Framework Agreements, the Supplemental Supply Deed, the Mandated Transactions, and the proposed adoption of the Proposed IPT General Mandate are set out in **Sections 3, 4, 5, 7 and 11** of the Circular, relevant extracts of which are reproduced below.

3.1 Rationale for and benefits of the Proposed IPT General Mandate

It is not within our terms of reference to comment or express an opinion on the merits of the Mandated Transactions and the adoption of the Proposed IPT General Mandate or the prospects of the Group upon the adoption of the Proposed IPT General Mandate. Nevertheless, we have reviewed the rationale for and the benefits of the Proposed IPT General Mandate to the Group as set out in **Section 11.2** of the Circular, extract of which has been reproduced below:

"The Group is principally engaged in the distribution of electronic components for use in the industrial, audio and video, telecommunications, home appliance, lighting, electronic manufacturing services and automotive segments, as well as the provision of engineering solutions.

As at the Latest Practicable Date, Shanghai YCT is a controlling shareholder (as such term is defined under the SGX-ST Listing Manual) of the Company holding deemed interest in 76,955,745 Shares, representing approximately 74.72% of the issued share capital of the Company. Such deemed interests arise from the Shares held through Texin, an indirect wholly-owned subsidiary of Shanghai YCT. As such, pursuant to Rule 904(4) of the SGX-ST Listing Manual, Shanghai YCT is an interested person of the Company within the meaning of Chapter 9 of the SGX-ST Listing Manual vis-à-vis the Company and its subsidiaries, which are regarded as "entities at risk" pursuant to Rule 904(2) of the SGX-ST Listing Manual. Accordingly, transactions between the Group and the Shanghai YCT Group constitute interested person transactions within the meaning of Chapter 9 of the SGX-ST Listing Manual.

The Group has entered into the 2026 Master Supply Framework Agreement and the 2026 Master Purchase Framework Agreement and, on June 23, 2026, entered into the Supplemental Supply Deed and the Supplemental Purchase Deed to, among others, revise the relevant annual transaction caps and extend the term of the respective framework agreements. The Group expects to enter into certain recurrent transactions with the Shanghai YCT Group pursuant to the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed) and the 2026 Master Purchase Framework Agreement (as proposed to be amended by the Supplemental Purchase Deed), as set out in Section 11.3 of the Circular. The transactions contemplated are expected to occur in the ordinary course of business to leverage on synergies between the businesses of the two groups. Such recurrent transactions are likely to occur with some degree of frequency and are part of the day-to-day operations of the Group and could arise at any time.

The Group has, from time to time, entered into, and will continue to enter into, transactions with the Shanghai YCT Group as customers of the Group, which has and will continue to provide additional revenue to the Group and enhance its profitability. Similarly, transactions with the Shanghai YCT Group as suppliers of the Group are expected to allow the Group to benefit from having access, where applicable, to competitive quotes from its interested persons and derive savings in terms of cost efficiencies and greater economies of scale in its transactions with such interested persons, in addition to obtaining quotes from, or transacting with, interested persons.

In this regard, as at the Latest Practicable Date and since the current financial year commencing on January 1, 2026, the Group has entered into the following interested person transactions with the Shanghai YCT Group (excluding transactions which are less than S$100,000):

No.	***Name of Mandated Interested Person***	***Nature of the transaction***	***Aggregate value of transaction*** *(HK$)*	*(S$)*
1.	*Shanghai YCT Group*	*Supply of semiconductor electronic component products by the Group pursuant to the 2026 Master Supply Framework Agreement (Note)*	*2,999,999*	*491,400.33*
2.	*Shanghai YCT Group*	*Purchase of semiconductor electronic component products by the Group pursuant to the 2026 Master Purchase Framework Agreement (Note)*	*2,999,999*	*491,400.33*
3.	*Shenzhen E-MANTECH Ltd, a subsidiary of the Shanghai YCT Group*	*Leasing of part of the office in Shenzhen by Willas-Array Electronics (Shenzhen) Limited, a subsidiary of the Company, pursuant to a Shenzhen housing lease agreement*	*1,412,623*	*231,387.88*
4.	*Texin, a subsidiary of Shanghai YCT*	*Provision of warehousing and logistics services by Willas-Array Electronics (Hong Kong) Limited, a subsidiary of the Company, pursuant to a warehousing and logistics services agreement*	*960,000*	*157,248.26*
5.	*Shenzhen E-MANTECH Ltd, a subsidiary of the Shanghai YCT Group*	*Provision of warehousing and logistics services by Willas-Array Electronics (Shanghai) Limited, a subsidiary of the Company, pursuant to a warehousing and logistics services agreement.*	*5,400,000*	*884,520.88*
6.	*Shenzhen E-MANTECH Ltd and E-MANTECH (HK) Limited, subsidiaries of the Shanghai YCT Group*	*Provision and receipt of customer referrals by Willas-Array Electronics (Hong Kong) Limited and Array Electronics (China) Limited, both subsidiaries of the Company, pursuant to a mutual customer referral framework agreement*	*1,900,000*	*311,220.31*

No.	*Name of Mandated Interested Person*	*Nature of the transaction*	*Aggregate value of transaction*	
			(HK$)	*(S$)*
7.	*Shanghai YCT, Texin and Shanghai Yachuangli Technology Co., Ltd., being subsidiaries of Shanghai YCT*	*Provision and receipt of customer referrals by Willas-Array Electronics (Hong Kong) Limited, Array Electronics (China) Limited, Willas-Array Electronics (Shenzhen) Limited, Willas-Array Electronics (Shanghai) Limited and Willas-Array Electronics (Taiwan) Inc., all of which are subsidiaries of the Company, pursuant to a mutual customer referral framework agreement*	*1,000,000*	*163,800.16*
8.	*Texin, a subsidiary of Shanghai YCT*	*Leasing of warehouse space in Hong Kong by Willas-Array Electronics Management Limited, a subsidiary of the Company, pursuant to a warehouse lease agreement*	*910,823*	*149,192.96*
9.	*Shanghai YCT and Texin, a subsidiary of Shanghai YCT*	*Interest payable on the maximum principal amount of a revolving loan facility extended to Willas-Array Electronics (Shenzhen) Limited, Willas-Array Electronics (Shanghai) Limited, Willas-Array Electronics (Hong Kong) Limited and Shenzhen Yalixin Electronics Co., Ltd., all of which are subsidiaries of the Company, pursuant to a loan agreement*	*6,000,000*	*982,800.98*
	Total value of all transactions with all Mandated Interested Persons		***23,583,444***	***3,862,971.99***

Notes:

(1) The Singapore dollar equivalents are based on the exchange rate prevailing as at the Latest Practicable Date, for the purposes of determining the applicable thresholds under Rule 905 of the Listing Manual of the SGX-ST.

(2) As a percentage of the Group's latest audited NTA of approximately HK$507,424,000 based on the latest audited consolidated financial statements of the Group as at December 31, 2025. Any discrepancy between the sum of the figures stated and the total thereof is due to rounding.

(3) For the avoidance of doubt, the supply and purchase transactions set out above were entered into pursuant to the 2026 Master Supply Framework Agreement and the 2026 Master Purchase Framework Agreement, respectively, and have not been amended by the Supplemental Supply Deed and the Supplemental Purchase Deed. The amendments contemplated under the Supplemental Supply Deed and the Supplemental Purchase Deed are conditional upon the adoption of the Proposed IPT General Mandate.

Save as disclosed above, as at the Latest Practicable Date and since the current financial year commencing on January 1, 2026, there were no other interested person transactions (excluding transactions which are less than S$100,000) entered into between the Group and all its interested persons.

In view of the time-sensitive nature of commercial transactions and the need for the smooth and efficient conduct of business which is envisaged to include entering into the Mandated Transactions which are recurring in nature or in the ordinary course of business with the Mandated Interested Persons, the Directors are seeking the approval of Independent Shareholders (which excludes Shareholders who are required to abstain from voting pursuant to Rule 920(1)(b)(viii) of the SGX-ST Listing Manual) for the adoption of the Proposed IPT General Mandate in respect of future transactions that the Group may enter into with the Mandated Interested Persons provided the Mandated Transactions are entered into on an arm's length basis and on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

The adoption of the Proposed IPT General Mandate and any subsequent renewal on an annual basis will eliminate the need for the Company to announce and convene separate general meetings on each occasion, where necessary, to seek Independent Shareholders' approval for each separate Mandated Transaction to be entered between the Group and the Mandated Interested Person of a revenue or trading nature or those necessary for its day-to-day operations, thereby substantially reducing the time and expenses associated with the convening of such general meetings (including the engagement of external advisers and preparation of documents) on an ad hoc basis, improving administrative efficacy considerably, allowing manpower resources and time to be channelled towards attaining other corporate objectives."

3.2 Categories of the Mandated Transactions

The Proposed IPT General Mandate will apply to the following categories of recurring Continuing Connected Transactions contemplated under the Framework Agreements (as proposed to be amended by the Supplemental Supply Deed). These transactions include:

(a) the sale by the Group of semi-conductor electronic component products pursuant to the 2026 Master Supply Framework Agreement (as proposed to be amended by the Supplemental Supply Deed); and

(b) the purchase by the Group of semi-conductor electronic component products pursuant to the 2026 Master Purchase Framework Agreement (as proposed to be amended by the Supplemental Purchase Deed)

(collectively the "**Mandated Transactions**").

The Proposed IPT General Mandate will not cover any interested person transaction which has a value below S$100,000 as, pursuant to Rules 905(3) and 906(2) of the SGX-ST Listing Manual, the threshold and aggregation requirements of Chapter 9 of the Listing Rules do not apply to such transactions. However, as stated above, the SGX-ST may aggregate any such transactions below S$100,000 that are entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the SGX-ST Listing Manual.

Transactions with interested persons (including the Mandated Interested Persons) that do not fall within the ambit of the Proposed IPT General Mandate will be subject to the relevant provisions of Chapter 9 of the SGX-ST Listing Manual and/or other applicable provisions of the SGX-ST Listing Manual as well as the Hong Kong Listing Rules.

3.3 Mandated Interested Persons

The interested persons to be covered under the Proposed IPT General Mandate are Shanghai YCT and its subsidiaries but excluding the Group (collectively, the "**Mandated Interested Persons**"). Information on the Mandated Interested Persons are set out in **Section 11.4** of the Circular, extract of which has been reproduced below:

"Shanghai YCT is a well-known authorised distributor of electronic components and self-developed integrated circuit designer in the PRC. Shanghai YCT is engaged in the fields of automotive lighting, car cockpit and automobile wire-controlled chassis. Shanghai YCT is headquartered in Shanghai, and its sales network covers the Asia-Pacific region. It has established offices in Kunshan, Shenzhen, Nanjing, Hangzhou, Tianjin, Hong Kong, Chongqing, and Foshan, as well as overseas offices in Seoul, South Korea, Singapore and India."

"From time to time, in the ordinary course of business, new subsidiaries of Shanghai YCT may be incorporated (for the avoidance of doubt, such subsidiaries exclude entities which are subsidiaries of the Group, whether existing as at the Latest Practicable Date or to be incorporated in the future). Accordingly, it is contemplated that when approval from Shareholders is sought for the renewal of the Proposed IPT General Mandate at subsequent AGMs, such newly incorporated subsidiaries of Shanghai YCT may be added to the list of Mandated Interested Persons in respect of which the Proposed IPT General Mandate is sought to be renewed."

3.4 Guidelines and review procedures for determining the pricing of the Mandated Transactions

We noted and have considered the pricing policies established by the Group contained in the Framework Agreements which are set out in **Sections 3.1** of the Circular and the additional internal controls which are set out in **Section 7** of the Circular, which will be adopted in determining the pricing of the Mandated Transactions contemplated under the Framework Agreements.

We further noted and have considered the guidelines and review procedures for the Mandated Transactions which are set out in the Proposed IPT General Mandate to ensure that the Mandated Transactions with Mandated Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the Mandated Interested Persons than those extended to unrelated third parties, and will not be prejudicial to the interests of the Company and its Independent Shareholders. The full text can be found in **Sections 11.6.1 and 11.6.2** of the Circular and has been reproduced below.

"Sale of products to a Mandated Interested Person

The review procedures are:

(a) all sale of products to Mandated Interested Persons will be carried out at the prevailing market prices offered by the Group for the same or substantially similar types of products and on terms no more favourable than the usual commercial terms extended to at least two independent third-party customers for similar or substantially similar types of products. In assessing the above, comparison will be made to the terms of two other contemporaneous or recent transactions of a similar or substantially similar nature with independent third-party customers of the Group, with the understanding that the product may be subject to price fluctuations, depending on market conditions;

(b) where the prevailing market rates or prices are not available due to the nature of the product to be sold, the Group's pricing and terms offered for such products to be sold to Mandated Interested Persons shall be determined in accordance with the Group's usual business practices and pricing policies, including taking into account (i) the direct costs of the relevant semi-conductor electronic component products and (ii) an appropriate mark-up, determined with reference to the mark-up charged to independent third-party customers for the same or similar products (or, where such comparable independent sales are not available, for products of comparable quality, specifications and quantities or published market selling prices or quotations for such comparable products obtained from independent electronic component distributors, online platforms or suppliers). In determining the pricing and terms offered to Mandated Interested Persons for such products, the Approving Executives or the Audit Committee (as the case may be, depending on the financial limit set out in Section 11.6.3 of the Circular) shall consider whether the transaction is beneficial to the interests of the Group and take into consideration factors such as credit terms; and

(c) in addition, the Group will, on a regular basis (not less frequently than quarterly), compare the selling prices of similar semi-conductor electronic component products sold to Mandated Interested Persons against those sold to independent third-party customers (based on at least two comparable transactions, or, where such transactions are not available, similar products) to ensure that the terms remain in line with prevailing market rates and conditions.

Purchase of products from a Mandated Interested Person

The review procedures are:

(a) all purchase of products from Mandated Interested Persons will be carried out at the prevailing market prices offered to the Group for the same or substantially similar type of products and on terms no less favourable than the usual commercial terms extended by at least two independent third-party vendors for similar or substantially similar types of products. The Group will obtain at least two other quotations from independent third-party suppliers for similar or substantially similar types of products to determine whether the price and terms offered by the Mandated Interested Persons are comparable to the prevailing market rate and on terms no less favourable than the usual commercial terms extended by independent third-party vendors to the Group, and in making such assessment, the Group shall also take into account (i) historical purchase prices of similar products from independent third parties and (ii) the credit terms on which the products are purchased;

(b) in the event that quotations from independent third party vendors cannot be obtained (for instance, if there are no independent third party vendors of similar products, or if the product is only available from the Mandated Interested Persons), the Approving Executives or the Audit Committee (as the case may be depending on the financial limit set out in Section 11.6.3 of the Circular) will determine whether the price and terms offered by the Mandated Interested Persons are fair and reasonable after taking into consideration factors such as, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, as well as prevailing market conditions (to the extent ascertainable); and

(c) in addition, the Group will, on a regular basis (and not less frequently than quarterly), obtain quotations from independent third-party suppliers for products of similar type, quantity and specifications for benchmarking purposes, to ensure that the terms of purchase remain in line with prevailing market rates and conditions."

3.5 Approval threshold limits for the Mandated Transactions

We noted and have considered the following approval threshold limits for the Mandated Transactions that the Company proposes to implement under the Proposed IPT General Mandate. The full text can be found in **Section 11.6.3** of the Circular and has been reproduced below:

*"In addition to the above review procedures, depending on whether the value of the contract to be entered into in relation to the Mandated Transactions is equal to or exceeds S$100,000 but in any case below 5% of the Group's latest announced audited consolidated NTA at the time of entry into the relevant Mandated Transaction ("**Financial Limit**"), the following approval thresholds shall be adopted:*

(a) Each contract with a value falling within the Financial Limit will be reviewed and approved by the Approving Executive(s) (who must have no interest, direct or indirect in the Mandated Transaction) and reported to the Company Secretary on a monthly basis and to the Audit Committee on a quarterly basis.

(b) Each contract with a value exceeding the Financial Limit in value will be reviewed and approved by the Audit Committee prior to the Company's entry into such Mandated Transaction.

(c) Any of the Approving Executives and members of the Audit Committee, may, as he/she deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser's opinion and/or obtaining valuations from independent professional valuers."

3.6 Additional guidelines and review procedures

We noted and have considered the following additional guidelines and review procedures that the Company proposes to implement under the Proposed IPT General Mandate. The full text can be found in **Section 11.6.4** of the Circular and has been reproduced below:

"In addition to the guidelines and review procedures set out in Section 11.6.1 and 11.6.2 of the Circular, the Company will also implement the following additional guidelines and procedures to ensure that the Mandated Transactions are undertaken on an arm's length basis and on normal commercial terms:

(a) Register of Mandated Transactions

*The Company will maintain a register of Mandated Transactions carried out with Mandated Interested Persons (including transactions below S$100,000 and the Mandated Transactions) (recording the orders entered into in relation to the Mandated Transactions and basis for pricing and other commercial terms thereunder, including quotations, enquiries and/or reports obtained to support such basis on which the Mandated Transactions are entered into) (the "**IPT Register**").*

(b) Periodic reviews

The internal auditors shall annually, or at the request of the Audit Committee, carry out audit reviews on the adequacy and compliance of the internal control system and reporting procedures for Mandated Transactions and will report to the Audit Committee on their findings.

The internal auditors shall annually, or at the request of the Audit Committee, carry out audit reviews to ascertain that the established guidelines and procedures for Mandated Transactions are appropriate and have been adequately complied with.

The external auditors of the Company will conduct an annual review on the terms and annual cap of the Mandated Transactions.

The Audit Committee will review the IPT Register on a quarterly basis to ascertain that the guidelines and review procedures for Mandated Transactions have been complied with. The Audit Committee shall also review the appropriateness and sufficiency of the guidelines and review procedures for Mandated Transactions at least annually.

If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the established guidelines and review procedures for Mandated Transactions have become inappropriate or insufficient for whatever reason, such as in the event of changes to the nature of, or manner in which, the business activities of the Company or the Mandated Interested Persons are conducted, the Company will seek a fresh mandate from the Independent Shareholders based on new guidelines and review procedures with a view to ensuring that the Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and the minority Shareholders. In such a situation, prior to obtaining the new Shareholders' mandate, all transactions with the Mandated Interested Persons will be reviewed and approved by the Audit Committee.

(c) Abstention from decision-making and voting at a Board meeting

If any of the Directors has an interest in the transaction under consideration for approval or is a nominee for the time being of any of the Mandated Interested Persons, or if any associate of such Director is involved in the decision-making process on the part of the Mandated Interested Persons, the review and approval process shall be undertaken by the remaining Directors who do not have an interest in the transaction under consideration for approval or are not nominees for the time being of the relevant Mandated Interested Person(s), and who are not subject to such conflicts of interest, save that if all of the Directors have an interest in the transaction under consideration for approval, or are nominees for the time being of either or both of the Mandated Interested Persons or are subject to such conflicts of interest, the review and approval process shall be undertaken by the Audit Committee or such other senior executive(s) of the Company designated by the Audit Committee from time to time for such purpose. Each senior executive so designated must be unrelated to the Mandated Interested Persons and have no interest, direct or indirect, in the Mandated Transactions.

If a member of the Audit Committee has an interest in a transaction under consideration for approval or is a nominee for the time being of either or both of the Mandated Interested Persons, or if any associate of a member of the Audit Committee is involved in the decision-making process on the part of the Mandated Interested Persons, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction under consideration."

3.7 Validity period of the Proposed IPT General Mandate

The Proposed IPT General Mandate is subject to the Independent Shareholders' approval at the SGM. If approved by the Independent Shareholders at the SGM, the Proposed IPT General Mandate will take effect from the passing of the ordinary resolution relating to the adoption of the Proposed IPT General Mandate as set out in the Notice, and will continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier (unless sooner revoked or varied by the Company in general meeting).

Approval from the Independent Shareholders will be sought for the renewal of the Proposed IPT General Mandate at each subsequent AGM (or special general meeting held on the same day as the AGM), subject to satisfactory review by the Audit Committee of its continued relevance and application and the sufficiency of the guidelines and review procedures under the Proposed IPT General Mandate to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3.8 Abstention from voting

Pursuant to Rule 919 of the SGX-ST Listing Manual, an interested person and any associate of the interested person shall abstain from voting on the resolutions approving the interested person transactions involving themselves and their associates. Such interested person and his associates shall not accept appointments as proxies in relation to such resolutions.

Accordingly, Shanghai YCT, Texin, Mr. Xie Lishu and Ms. Huang Shaoli will abstain, and will undertake to ensure that its associates will abstain, from voting on the resolutions to approve the adoption of the Proposed IPT General Mandate. In addition, Shanghai YCT, Texin, Mr. Xie Lishu and Ms. Huang Shaoli and their associates will also decline to accept appointments as proxies for any Shareholder unless specific instructions as to voting are given.

4 RECOMMENDATION AND CONCLUSION

In arriving at our opinion in relation to the Proposed IPT General Mandate, we have considered, inter alia, the information available to us, and based upon the monetary, industry, market, economic and other relevant conditions subsisting on the Latest Practicable Date and based on the factors set out in section 3 above, in particular the rationale for and benefits of the Proposed IPT General Mandate to the Group, the guidelines and review procedures for determining the pricing of the Mandated Transactions set up by the Company, the approval threshold limits, the additional guidelines and review procedures to be implemented, and the role of the Audit Committee in enforcing the guidelines and review procedures for the Proposed IPT General Mandate, which we deem to have significant relevance to our assessment of the Proposed IPT General Mandate.

We are of the view that, on balance, the methods and review procedures for determining transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Independent Shareholders.

Accordingly, we are of the view that the Audit Committee (whose members comprise the Independent Board) should recommend that Shareholders vote in favour of the adoption of the Proposed IPT General Mandate to be proposed at the SGM.

In performing our evaluation and arriving at these conclusions, we wish to emphasise that the opinion set forth herein is based solely on publicly available information and information provided by the Directors and Management of the Company and therefore does not reflect any projections or future financial performance of the Company after the completion of the Proposed IPT General Mandate and are based on the economic and market conditions prevailing as of the date of this IFA Letter. Our advice is strictly confined to our views on the Proposed IPT General Mandate.

This IFA Letter (for inclusion in the Circular) and our opinion therein has been prepared as required under SGX-ST Listing Rules 920(1)(b)(v) as well as for the use of the Independent Board and the Audit Committee in their consideration of the Proposed IPT General Mandate and their respective recommendation to the Shareholders arising thereof. The recommendations made by the Audit Committee to the Shareholders in relation to the Proposed IPT General Mandate shall remain their sole responsibility.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not imply by implication to any other matter.

Yours faithfully
For and on behalf of
STIRLING COLEMAN CAPITAL LIMITED
YAP YEONG KEEN
MANAGING DIRECTOR

1. RESPONSIBILITY STATEMENT

Responsibility statement pursuant to the Hong Kong Listing Rules

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Responsibility Statement pursuant to the SGX-ST Listing Manual

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the adoption of the Proposed IPT General Mandate, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the circular in its proper form and context.

2. DISCLOSURE OF INTERESTS

(A) Directors' and chief executive's interests and short positions in the shares, underlying shares and debentures of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to Section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Hong Kong Listing Rules (the "**Model Code**"), to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

For the purposes of the SGX-ST Listing Manual, the interests of Directors are also set out in the table below.

Long positions in the shares of the Company

Name	As at the Latest Practicable Date (Number of Shares) Direct Interest	Deemed Interest	Total Interest	As at the Latest Practicable Date (%)[1]
Directors				
Xie Lishu[2]	–	76,955,745	76,955,745	74.72
Huang Shaoli[2]	–	76,955,745	76,955,745	74.72
Chong Eng Wee	–	–	–	–
Lau Chin Huat	–	–	–	–
Tso Sze Wai	–	–	–	–
Jiang Maolin	–	–	–	–

Notes:

(1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, being 102,989,049 Shares. The Company did not have any treasury shares or subsidiary holdings as at the Latest Practicable Date.

(2) Texin has a direct interest in 76,955,745 Shares. Texin is wholly owned by Kunshan Archer Electronics Co., Ltd., which is in turn wholly owned by Shanghai YCT Electronics Group Co., Ltd. ("**Shanghai YCT**"). The controlling shareholder of Shanghai YCT is Xie Lishu, who is deemed to be interested in the 76,955,745 Shares held by Texin. Huang Shaoli has a deemed interest in the 76,955,745 Shares held by Texin in which her husband, Xie Lishu, has a deemed interest.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of the Part XV of the SFO (including interests and short positions which they were taken or deemed to have under provision of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company or the Hong Kong Stock Exchange.

(B) Substantial Shareholders' and other persons' interests and short positions in the shares, underlying shares and debentures of the Company

So far as known to the Directors, as at the Latest Practicable Date, the following persons (other than the Directors and the chief executives of the Company) had or were taken or deemed to have interests or short positions in the shares, underlying shares and debentures of the Company which were required to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO:

For the purposes of the SGX-ST Listing Manual, the interests of Substantial Shareholders' are also set out in the table below.

Long positions in the shares and underlying shares of the Company

Name	As at the Latest Practicable Date (Number of Shares) Direct Interest	Deemed Interest	Total Interest	As at the Latest Practicable Date (%)[1]
Substantial Shareholders (excluding those who are also Directors)				
Texin (HongKong) Electronics Co. Limited[2]	76,955,745	–	76,955,745	74.72
Kunshan Archer Electronics Co. Ltd[2]	–	76,955,745	76,955,745	74.72
Shanghai YCT Electronics Group Co. Ltd[2]	–	76,955,745	76,955,745	74.72

Notes:

(1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, being 102,989,049 Shares. The Company did not have any treasury shares or subsidiary holdings as at the Latest Practicable Date.

(2) Texin has a direct interest in 76,955,745 Shares. Texin is wholly owned by Kunshan Archer Electronics Co. Ltd, which is in turn wholly owned by Shanghai YCT. The controlling shareholder of Shanghai YCT is Xie Lishu, who is deemed to be interested in the 76,955,745 Shares held by Texin. Huang Shaoli has a deemed interest in the 76,955,745 Shares held by Texin in which her husband, Xie Lishu, has a deemed interest.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors and the chief executives of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and of any other member of the Group.

3. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since December 31, 2025, the date to which the latest published audited accounts of the Company have been made up.

4. INTERESTS OF DIRECTORS IN COMPETING BUSINESS

As at the Latest Practicable Date, Mr. Xie Lishu, the Chairman and an executive Director, is a director, the legal representative and the ultimate controlling shareholder of Shanghai YCT. Ms. Huang Shaoli, a non-executive Director, is the spouse of Mr. Xie Lishu and a director of Shanghai YCT. Shanghai YCT Group and the Group are in the same industry (i.e., an authorised distributor of electronic components for use in various industries as well as provision of engineering solutions), have the same or similar business model, operate in the same geographical region and have overlapping upstream suppliers and end customers.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor their respective associates was interested in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group which would require disclosure under the Hong Kong Listing Rules and none of the Directors nor their respective associates was materially interested in any contract or arrangement at the Latest Practicable Date which was significant to the business of the Group taken as a whole.

5. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS

Save as disclosed in this Circular, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group since December 31, 2025, being the date to which the latest published audited financial statements of the Group were made up, or were proposed to be acquired or disposed of by or leased to any member of the Group. Save as disclosed in this Circular, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which will not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. LITIGATION

As far as the Directors are aware, none of the members of the Group is engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group as at the Latest Practicable Date.

8. EXPERTS AND CONSENTS

The following are the qualifications of the Independent Financial Advisers who have given their opinion or advice which are contained in this circular:

Name	Qualification
Frontpage Capital Limited (HK IFA)	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being an independent financial adviser to the Independent Board Committee and the Independent Shareholders
Stirling Coleman Capital Limited (SG IFA)	a company holding a capital markets service licence issued pursuant to the Securities and Futures Act 2001 of Singapore for the regulated activities of advising on corporate finance and dealing in capital markets products, being an independent financial adviser to the Independent Board Committee and the Independent Shareholders

The Independent Financial Advisers have given and have not withdrawn their written consents to the issue of this circular, with the inclusion therein of its letter(s), report(s), opinion and/or references to its name in the form and context in which it appears.

9. EXPERTS' INTERESTS

As at the Latest Practicable Date, the Independent Financial Advisers did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group since December 31, 2025, being the date to which the latest published audited financial statements of the Group were made up, or were proposed to be acquired or disposed of by or leased to any member of the Group; and had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Hong Kong Stock Exchange (https://www.hkexnews.hk), the SGX-ST (https://www.sgx.com/securities/company-announcements) and the Company (https://www.willas-array.com.cn) for not less than 14 days from the date of this Circular:

a) The Memorandum and Bye-Laws of the Company;

b) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Board Committee" of this Circular;

c) the letters of advice from the Independent Financial Advisers in relation to the Revised Supply Annual Caps, the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the transactions contemplated thereunder and the Proposed IPT General Mandate respectively, the text of which is set out in the section headed "Letters from the Independent Financial Advisers" of this Circular;

d) the written consents of Independent Financial Advisers referred to in the section headed "Experts and Consents" in this Appendix;

e) the 2026 Master Supply Framework Agreement;

f) the Supplemental Supply Deed;

g) the 2026 Master Purchase Framework Agreement;

h) the Supplemental Purchase Deed; and

i) this Circular.

11. GENERAL

(a) The Company is dual primary listed on the Hong Kong Stock Exchange and on the SGX-ST.

(b) The registered office of the Company is situated at Victoria Place, 5/F, 31 Victoria Street, Hamilton HM10, Bermuda.

(c) The company secretary of the Company is Ms. Chan Lai Yee.

(d) The head office and principal place of business of the Company in Hong Kong is situated at 24/F, Wyler Centre, Phase 2, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

(e) The Hong Kong Branch Register is Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.

(f) The Singapore Branch Register is Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632.

(g) In the event of inconsistency, the English text of this Circular and the form of proxy shall prevail over the Chinese text.

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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the "**SGM**") of Willas-Array Electronics (Holdings) Limited (the "**Company**") will be held on Friday, November 27, 2026 at 9:30 a.m. at 988 Toa Payoh North, #03-02, Singapore 319002, to consider and, if thought fit, approve the ordinary resolutions below. Unless the context otherwise requires, terms defined in the circular of the Company dated November 11, 2026 (the "**Circular**") shall have the same meanings when used in this notice.

ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass, with or without any modifications, the following resolutions as Ordinary Resolutions:

1. **ORDINARY RESOLUTION 1 – THE APPROVAL OF THE 2026 MASTER SUPPLY FRAMEWORK AGREEMENT, THE SUPPLEMENTAL SUPPLY DEED AND THE REVISED SUPPLY ANNUAL CAPS**

   THAT:

   (a) the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed, the Revised Supply Annual Caps for the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

   (b) any one Director, or any two Directors if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters and transactions contemplated under the 2026 Master Supply Framework Agreement, the Supplemental Supply Deed and the Revised Supply Annual Caps.

2. ORDINARY RESOLUTION 2 – THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

THAT:

(a) Approval be and is hereby given, for the purposes of Chapter 9 of the SGX-ST Listing Manual, for the Company to enter into any of the transactions falling within the types of Mandated Transactions as set out in the Circular, provided that such transactions are made on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders, and is entered into in accordance with the review procedures for such interested person transactions as set out in the Circular (the "**Proposed IPT General Mandate**");

(b) the Proposed IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier; and

(c) the Directors and each of them be and is hereby authorised to complete and do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider necessary, desirable, expedient or in the interests of the Company to give effect to the Proposed IPT General Mandate and/or this ordinary resolution.

By order of the Board
WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED
XIE Lishu
Chairman and Executive Director

Hong Kong/Singapore,
November 11, 2026

Registered Office:
Victoria Place, 5/F
31 Victoria Street
Hamilton HM10
Bermuda

Head Office and Principal Place of Business:
24/F, Wyler Centre, Phase 2
200 Tai Lin Pai Road
Kwai Chung, New Territories
Hong Kong

Notes:

1. With the exception of the depository or a clearing house (both as defined under the Bye-Laws of the Company), including The Central Depository (Pte) Limited (the "**Depository**") and HKSCC Nominees Limited ("**HKSCC Nominees**"), which may appoint more than two (2) proxies, a member of the Company (the "**Member**" or the "**Shareholder**") who is the holder of two (2) or more shares and is entitled to attend and vote at the SGM is entitled to appoint no more than two (2) proxies to attend and vote on his/her/its behalf at the SGM. A proxy need not be a member.

2. Where a form of proxy appoints more than one (1) proxy (including the case where such appointment results from a nomination by the Depository or HKSCC Nominees), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

3. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its corporate representative at the SGM.

4. Where there are joint registered holders of any Share, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one (1) of such joint holders shall be present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.

5. To be valid, the instrument appointing a proxy or proxies, or nominating a proxy or proxies on behalf of the Depository together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited (a) at the office of the Company's share transfer agent in Singapore (the "**Singapore Share Transfer Agent**"), Boardroom Corporate & Advisory Services Pte. Ltd., via post at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 (for Shareholders in Singapore), or (b) at the Company's Hong Kong branch share registrar and transfer office (the "**Hong Kong Branch Registrar**"), Boardroom Share Registrars (HK) Limited, via post at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong (for Shareholders in Hong Kong), or (c) by electronic mail to srs.proxy@boardroomlimited.com (for all Shareholders) and deliver the original signed Proxy Form to the office of the Company's Singapore Share Transfer Agent or the office of the Company's Hong Kong Branch Registrar, as soon as possible but in any event no later than 72 hours before the time appointed for holding the SGM or its adjournment (if any).

6. For the purpose of determining the entitlement of the Shareholders to attend and vote at the SGM, for Hong Kong Shareholders, the Hong Kong branch register of members of the Company (the "**Hong Kong Branch Register**") will be closed from Wednesday, November 25, 2026 to Friday, November 27, 2026, both days inclusive. During this period, no transfer of Shares will be registered. In order to qualify for attending and voting at the SGM, 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 Hong Kong Branch Registrar, 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 Tuesday, November 24, 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 Tuesday, November 24, 2026. Duly completed registrable transfers of Shares received by the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632, up to and including 5:00 p.m. on Tuesday, November 24, 2026 will be registered to determine Singapore Shareholders' entitlements to attend and vote at the SGM.

   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 Friday, November 13, 2026 for Hong Kong Shareholders and not later than 5:00 p.m. on Friday, November 13, 2026 for Singapore Shareholders.

7. Pursuant to Rule 13.39(4) of the Hong Kong Listing Rules and Rule 730A(2) of the SGX-ST Listing Manual, all resolutions set out in this notice will be voted by poll.

8. **Submission of Questions:** Shareholders may also submit questions related to the resolutions set out in the notice convening the SGM or other business of the SGM in the following manner:

   (a) via post to (i) the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower, #14-07, Singapore 098632 (for Singapore Shareholders); or (ii) the Hong Kong Branch Registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong (for Hong Kong Shareholders), shall be received by the Company's Singapore Share Transfer Agent or Hong Kong Branch Registrar (as the case may be) by 5:00 p.m. on November 18, 2026; or

   (b) via e-mail to ir@willas-array.com by 5:00 p.m. on November 18, 2026.

   The Company will respond to substantial and relevant questions received on or before the cut-off time in the foregoing paragraphs (a) and (b) on or before November 20, 2026 (via an announcement on the Stock Exchange's website at https://www.hkexnews.hk, SGXNET at https://www.sgx.com/securities/company-announcements and the Company's website at https://www.willas-array.com.cn). The Company will also address any subsequent written questions or clarifications sought, prior to, or at, the SGM in respect of substantial and relevant matters.

As at the date of this notice, the Board comprises one executive Director, Xie Lishu; 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.