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**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)**

**PROPOSED CHANGE OF INDEPENDENT AUDITOR**

This announcement is made by Willas-Array Electronics (Holdings) Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “HK Stock Exchange” and the “HK Listing Rules”, respectively) and in accordance with Rule 704(7) of the Listing Manual of Singapore Exchange Securities Trading Limited (the “SGX” and the “SGX-ST Listing Manual”, respectively).

The board of directors of the Company (the “Board”) announces that the current independent auditor of the Company (the “Independent Auditor”), Messrs. Deloitte Touche Tohmatsu (“Deloitte Hong Kong”), has given written notice of its intention to retire as the Independent Auditor upon expiration of its current term of office at the close of the 2022 annual general meeting of the Company (the “2022 AGM”) to be held on August 29, 2022, and will not offer itself for re-appointment as the Independent Auditor. Subject to the approval of shareholders of the Company (the “Shareholders”) at the 2022 AGM, following the retirement of Deloitte Hong Kong at the close of the 2022 AGM, Messrs. Deloitte & Touche LLP (“Deloitte Singapore”) will be appointed as the Independent Auditor to hold office until the conclusion of the next annual general meeting of the Company.

In accordance with section 13.51(4) of the HK Listing Rules:

- (a) the Company confirms that it is not aware of any other matters or circumstances in relation to the proposed change of Independent Auditor that need to be brought to the attention of the Shareholders; and
- (b) Deloitte Hong Kong has provided a confirmation that there are no matters that need to be brought to the attention of the Shareholders.

In addition, in accordance with Rule 1203(5) of the SGX-ST Listing Manual:

- (a) Deloitte Hong Kong has provided a confirmation that it is not aware of any professional reasons why the new auditor, Deloitte Singapore, should not accept appointment as the Independent Auditor;
- (b) Deloitte Hong Kong has provided a confirmation that there are no matters in relation to its retirement that need to be brought to the attention of the Shareholders;
- (c) the Company confirms that there are no disagreements between the Company and Deloitte Hong Kong on accounting treatments within the last 12 months from the date of this announcement;
- (d) the Company confirms that it is not aware of any other matters or circumstances in relation to the proposed change of the Independent Auditor that need to be brought to the attention of the Shareholders;
- (e) the specific reasons for the proposed change of the Independent Auditor, including the explanation that the proposed change of the Independent Auditor is to meet the requirements in Rule 712(2A) of the SGX-ST Listing Manual, are disclosed in this announcement below; and
- (f) the Company confirms that it is or will be in compliance with Rule 712 and Rule 715 of the SGX-ST Listing Manual in relation to the proposed appointment of Deloitte Singapore as the Independent Auditor.

## **REASONS FOR CHANGE OF INDEPENDENT AUDITOR**

Deloitte Hong Kong has been the Independent Auditor since the 2014 annual general meeting of the Company held on July 31, 2014, following the Company's dual listing on the Main Board of the HK Stock Exchange in 2013. Prior to that, the Company had appointed Deloitte Singapore as the Independent Auditor since its primary listing on the Main Board of the SGX in 2001.

In order to comply with Rule 712(2) read with Rule 712(2A) of the SGX-ST Listing Manual which took effect on February 12, 2021 and concerns the requirements of auditing firms appointed by an SGX listed issuer, starting from the Company's financial year beginning on April 1, 2022, the Company has two alternatives:

1. The Company appoints an auditing firm which meets the requirements in Rule 712(2)(a) of the SGX-ST Listing Manual, i.e. an auditing firm that is approved under the Accountants Act 2004 of Singapore (the "Singapore Accountants Act"), and the audit partner-in-charge assigned to the audit must be a public accountant under the Singapore Accountants Act; or
2. As Deloitte Hong Kong is not an approved auditing firm under the Singapore Accountants Act, the Company continues to engage Deloitte Hong Kong as the Independent Auditor, but will have to appoint an additional auditing firm that meets the requirements in Rule 712(2)(a) of the SGX-ST Listing Manual to jointly audit its financial statements.

The Board is of the view that appointing joint auditors, rather than a single auditor, would incur additional work, time and cost and would be unduly burdensome on the Company with no material added value to the Shareholders. Appointing a single auditor that meets the requirements in Rule 712(2)(a) of the SGX-ST Listing Manual can enhance efficiency of the audit and would be more cost efficient and therefore beneficial to the Company and the Shareholders as a whole.

Accordingly, the Board has resolved, at the recommendation of the audit committee of the Company, to propose the appointment of Deloitte Singapore as the new Independent Auditor following the retirement of Deloitte Hong Kong at the close of the 2022 AGM, to hold office until the conclusion of the next annual general meeting of the Company. While Deloitte Hong Kong will no longer act as the Independent Auditor, Deloitte Hong Kong will continue to audit the Company's Hong Kong-incorporated subsidiaries as a member firm within the Deloitte network.

On March 30, 2022, the Financial Reporting Council of Hong Kong had approved the application submitted by the Company for recognition of Deloitte Singapore (an "overseas auditor" for the purposes of the applicable Hong Kong regulations), and granted an approval-in-principle ("AIP") recognizing Deloitte Singapore as a public interest entity auditor ("PIE auditor") (as defined under section 3A of the Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong)) of the Company. Upon receipt of this AIP, Deloitte Singapore is permitted to act as a PIE auditor of the Company for the audit of the Group's annual financial statements for the purposes of the applicable Hong Kong regulations. The Company intends to appoint Deloitte Singapore to act as the sole Independent Auditor of the Company for the audit of the Group's financial statements for the financial year ending March 31, 2023, within the validity period prescribed in the AIP, subject to the approval of the Shareholders at the 2022 AGM.

A circular containing, among other things, information in relation to the proposed appointment of Deloitte Singapore together with the notice convening the 2022 AGM will be despatched to the Shareholders in due course.

The Board takes this opportunity to express its sincere gratitude to Deloitte Hong Kong for its professional services rendered to the Company in the past years.

By Order of the Board  
**Willas-Array Electronics (Holdings) Limited**  
**Leung Chun Wah**  
*Chairman and Non-executive Director*

Hong Kong/Singapore, June 28, 2022

*As at the date of this announcement, the Board comprises one Non-executive Director, Leung Chun Wah (Chairman); three Executive Directors, namely Hon Kar Chun (Managing Director), Leung Hon Shing and Leung Chi Hang Daniel; and three Independent Non-executive Directors, namely Lim Lee Meng, Tang Wai Loong Kenneth and Tong Kai Cheong.*

*In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.*