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**WILLAS-ARRAY**  
**WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED**  
**威雅利電子(集團)有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Hong Kong stock code: 854)**  
**(Singapore stock code: BDR)**

**RE-DESIGNATION OF DIRECTOR**

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The board of directors (the “**Directors**” and the “**Board**”, respectively) of Willas-Array Electronics (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Mr. Xie Lishu (“**Mr. Xie**”) has been re-designated from a non-executive Director to an executive Director (the “**Executive Director**”) with effect from October 21, 2024. Mr. Xie will remain as the chairman of the Board as well as the chairman of the employee share option scheme committee of the Company (“**ESOS Committee**”).

Mr. Xie, aged 52, was appointed as a non-executive Director and the chairman of the Board as well as the chairman of the ESOS Committee on May 20, 2023. Mr. Xie also serves as a director for various subsidiaries of the Company. Mr. Xie obtained a bachelor’s degree in applied chemistry from Tongji University in 1996. He has over 27 years of experience in the electronics industry. He was a sales manager of China Circuit Technology (Shantou) Corporation from 1996 to 1999. Since 2008, Mr. Xie served as the chief executive officer of Shanghai YCT Electronics Group Co., Ltd. (上海雅創電子集團股份有限公司) (“**Shanghai YCT**”), which is a company listed on the ChiNext Board of the Shenzhen Stock Exchange and Mr. Xie also served as the chairman of the board of directors of Shanghai YCT since 2019.

As at the date of this announcement, Mr. Xie is deemed to be interested in 76,955,745 shares of the Company (the “**Shares**”) held through Texin (HongKong) Electronics Co. Limited (“**Texin**”), representing approximately 87.76% of the issued Shares, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Securities and Futures Act 2001 of Singapore. Therefore, Mr. Xie is a controlling shareholder of the Company under both Rules Governing the Listing of Securities (the “**Hong Kong Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Listing Manual of Singapore Exchange Securities Trading Limited (the “**Singapore Listing Rules**”).

Mr. Xie is the husband of Ms. Huang Shaoli, a non-executive Director appointed on May 20, 2023, and a controlling shareholder of the Company under the Hong Kong Listing Rules and Singapore Listing Rules.

The re-designation of Mr. Xie was nominated by Mr Fan Qingsheng (“**Mr. Fan**”), an Executive Director of the Company. The Company has entered into a service agreement with Mr. Xie for his appointment as an Executive Director, the chairman of the Board and the chairman of the ESOS Committee for the period from October 21, 2024 to March 31, 2026 (the “**Service Agreement**”). The appointment is subject to re-election at the 2025 annual general meeting of the Company (the “**2025 AGM**”) in accordance with the bye-laws of the Company, the Singapore Listing Rules and the Hong Kong Listing Rules.

Under the terms of the Service Agreement, Mr. Xie is entitled to a director’s fee of HK\$900,000 per annum and deemed to accrue on a day-to-day basis, which will be reviewed annually by the Board and the remuneration committee of the Board (the “**Remuneration Committee**”) by reference to his duties and responsibilities with the Company, and subject to the Company’s shareholders’ approval.

Save as disclosed herein, Mr. Xie (i) has not held any directorship in any other listed public company in Hong Kong or overseas in the past three years; (ii) does not hold any other position with the Company or any of its subsidiaries; (iii) does not have other major appointments and professional qualifications; and (iv) does not have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company. There is no information required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Hong Kong Listing Rules. Save as disclosed below in “*DISCLOSURE ON POTENTIAL CONFLICT OF INTERESTS AND EFFECTIVE MEASURES TO PROTECT THE COMPANY*”, the Board is not aware of any other matters which need to be brought to the attention of the shareholders in relation to Mr. Xie’s appointment.

## DISCLOSURE ON POTENTIAL CONFLICT OF INTERESTS AND EFFECTIVE MEASURES TO PROTECT THE COMPANY

Mr. Xie (the “**Appointed Director**”) is a director and controlling shareholder of Shanghai YCT. Since the Company and Shanghai YCT (including their respective underlying entities) 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, the Appointed Director may face potential conflicts of interests.

In order to implement effective conflict of interests management and delineate the business of the Company from that of Shanghai YCT, the Company has adopted the following measures which were first announced in the Company’s announcement dated 19 May 2023 and elaborated upon in the Company’s announcement dated 20 September 2023:

- (1) restricting the Appointed Director from participating in the management of the Company’s business where there is actual or potential competition;
- (2) having a sufficient number of independent directors, who have requisite knowledge, industry experience and expertise, on the Board to advise on the conflicted transactions and business decisions, whilst the Appointed Director would abstain from voting;
- (3) the Appointed Director having provided an enforceable non-competition undertaking in favour of the Company (the “**Undertaking**”); and
- (4) the Appointed Director having granted a right of first refusal to the Company on behalf of Shanghai YCT where it is aware of a new business opportunity relating to the business conducted by the Company or intends to dispose of the competing business.

The content of the Undertaking includes:

- a) If the Appointed Director proposes to the Board or the Company that any business lines, business segments, material end-customers or any core business strategies the Company currently and in the future focuses on shall be discontinued, reduced, and or transfer to Controlled Persons<sup>1</sup>, close associates (as defined in the Hong Kong Listing Rules), and/or member companies of the Texin group, and/or any matters that may lead to potential conflicts of interest (“**Proposals**”), the Appointed Director shall not be allowed to participate or if present in such meeting not be counted towards the quorum or allowed to vote in such meeting, and such Proposals shall be considered and decided solely by the other Board members who do not have an interest in the Proposal (the “**Independent Board**”);

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<sup>1</sup> “Controlled Persons” means in relation to the Appointed Director and persons to whom the Appointed Director provides financial assistance to set up and operate businesses.

- b) The Independent Board shall be responsible for deciding, without the attendance of the Appointed Director (except as invited by the Independent Board to assist them or provide any relevant information but in no circumstances shall the Appointed Director participating in such meeting be counted towards the quorum or allowed to vote in such meeting), whether or not to take up a new business opportunity referred to the Company and exercise the right of first refusal;
- c) the independent non-executive Directors (the “INEDs”) may employ an independent financial/legal/industrial advisor (as the case may be) as they consider necessary to advise them on the terms of any new business opportunity and the right of first refusal (if applicable);
- d) the Appointed Director shall make annual declaration by providing a written confirmation to the Company confirming he has fully complied with the non-competition undertakings;
- e) upon receiving the confirmation, the INEDs of the Company shall review, on an annual basis, the compliance of the non-competition undertakings given by the Appointed Director, and any decisions in relation to new business opportunities referred to the Company, and exercise of right of first refusal (if applicable), and where required by the Hong Kong Listing Rules shall not be restricted in any way to state their basis and reasons in the Company’s annual report;
- f) the INEDs of the Company shall be granted full access of financial information and other information they request from the managers of the Company and the Appointed Director in order to make an informed decision. The INEDs of the Company shall make each decision based on any factors they consider appropriate and which they consider is beneficial to the Group;
- g) the Company shall not be restricted in any way in disclosing details of any potential competing interests including the business being conducted by the Texin group from time to time in the Company’s annual reports to its shareholders;
- h) the Company shall not be restricted in any way in disclosing any new development of any potential competing interests in the Company’s annual reports to its shareholders; and
- i) in the event that the Company decides not to proceed with any particular projects or business opportunities and that the Appointed Director or his close associates (as defined in the Hong Kong Listing Rules), Controlled Persons and/or member companies of the Texin group decide to proceed with such a project or business opportunity, the Company may determine to announce such decision by way of an announcement setting out therein the basis for the Company not taking up the project or business opportunity.

Furthermore, the Appointed Director shall also recuse himself from discussions and decisions of the Board in relation to matters which potential conflicts of interests may arise, and shall abstain from voting as a director on such matters.

In addition to the aforesaid measures pursuant to the Undertaking continuing to be observed by both the Appointed Director and Ms. Huang Shaoli, the nomination committee of the Board (the “**Nomination Committee**”) also took into consideration the following factors in connection with the proposed re-designation of Mr. Xie as an Executive Director of the Company:

- (1) the rationale presented by Mr. Fan for and on behalf of the Company’s management in proposing Mr. Xie as an Executive Director including but not limited to the need for the Company to have more Executive Directors given the size and complexity of its business operations and especially at this juncture where the Company is seeking to turn around its business performance by implementing costs saving measures and increasing revenue and profit margins so as to reduce losses and/or achieve profits for the Group as soon as possible. The Nomination Committee noted that in his new role as Executive Director and Chairman of the Board, it is proposed for Mr. Xie to be responsible for determining the Group’s overall strategies and direction, and overseeing the sales and marketing operations of the Group;
- (2) to facilitate the turn-around in business performance, the Company would need to appoint an Executive Director with substantial experience and network of contacts in the industry. Sourcing for and hiring a suitable candidate may take considerable time and may also involve offering attractive and market leading remuneration to shortlisted candidate(s). In this regard, the Nomination Committee notes that Mr. Xie possesses the requisite experience and network of contacts in the industry. The Remuneration Committee further notes that the proposed remuneration package offered to and accepted by Mr. Xie for his appointment as an Executive Director does not involve any additional costs to the Company in that such remuneration package is equal to the director fees which would have been payable to Mr. Xie as a Non-Executive Director as approved by shareholders at the Annual General Meeting on 31 July 2024;
- (3) in reducing the financing costs of the Group, the Group had taken out various loans and/or facilities from banks and/or financial institutions in the People’s Republic of China (“**PRC**”) to replace some of the Group’s loans and/or facilities from banks and/or financial institutions in Hong Kong as the PRC loans and facilities offered substantially more favourable interest rates, the Nomination Committee understands from management that it would facilitate and assist the Group in securing more PRC loans and/or facilities with substantially more favourable interest rates if Mr. Xie (as the key decision maker at the Company’s indirect majority shareholder, Shanghai YCT) also assumes an executive role within the Group. This would further reduce the financing costs of the Group and be in the best interests of the Company and its shareholders;

- (4) following the appointment of Mr. Xie as an Executive Director of the Company, the proposed reporting structure for Mr. Fan is to (a) an independent board committee comprising all the INEDs on matters where there may exist potential or actual conflict of interests involving Mr. Xie and/or Ms. Huang Shaoli, and to (b) the Board collectively for all other matters arising during the Group's day to day operations; and
- (5) the Nomination Committee noted that there is currently a management team comprising of various senior management employees at Shanghai YCT assisting Mr. Xie in the execution of his duties and responsibilities as Chairman and Chief Executive Officer of Shanghai YCT. Likewise, the management team comprising of various senior management employees at the Company will assist both Mr. Xie and Mr. Fan in their execution of their duties and responsibilities as Executive Directors at the Company. Accordingly, the Nomination Committee believes that Mr. Xie will be able to effectively discharge his duties and responsibilities as an Executive Director and Chairman of the Group.

Also, the Independent Board is independent from the board of Shanghai YCT and is accountable to the Company and its shareholders. Coupled with the diligence of its INEDs whose views carry significant weight in the Board's decisions, the Board is confident that the Group is capable of managing and operating its businesses independently from its controlling shareholder.

Shareholders should also refer to the separate appointment announcements by the Company on SGXNET for further information.

By Order of the Board  
**Willas-Array Electronics (Holdings) Limited**  
**Fan Qinsheng**  
*Executive Director*

Hong Kong/Singapore, October 21, 2024

*As at the date of this announcement, the Board comprises two Executive Directors, namely Xie Lishu (Chairman) and Fan Qinsheng; one Non-executive Director, Huang Shaoli and four Independent Non-executive Directors, namely Chong Eng Wee (Lead Independent Director), Lau Chin Huat, Tso Sze Wai and Jiang Maolin.*

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