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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)

**(1) TERMINATION OF 2025 MASTER SUPPLY
FRAMEWORK AGREEMENT AND 2025 MASTER PURCHASE
FRAMEWORK AGREEMENT; AND
(2) REVISION OF ANNUAL CAP FOR PREVIOUSLY FULLY
EXEMPT CONTINUING CONNECTED TRANSACTIONS UNDER
THE MASTER SUPPLY FRAMEWORK AGREEMENT**

**TERMINATION OF 2025 MASTER SUPPLY FRAMEWORK AGREEMENT
AND 2025 MASTER PURCHASE FRAMEWORK AGREEMENT**

On August 14, 2025 (after trading hours), the Company and Shanghai YCT have entered into a termination agreement, pursuant to which the Company and Shanghai YCT have agreed to terminate the 2025 Master Supply Framework Agreement and 2025 Master Purchase Framework Agreement with effect from August 14, 2025.

**REVISION OF ANNUAL CAP FOR PREVIOUSLY FULLY EXEMPT
CONTINUING CONNECTED TRANSACTIONERS UNDER THE MASTER
SUPPLY FRAMEWORK AGREEMENT**

On January 1, 2025 (after trading hours), the Company and Shanghai YCT have entered into the 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, 2025. The transactions contemplated thereunder constituted fully exempt continuing connected transactions for the Company at the relevant time based on the Original Annual Cap determined.

In view of an anticipated increase in demand for semi-conductor electronic component products pursuant to the Master Supply Framework Agreement, the Board proposed to revise and increase the Original Annual Cap to the Revised Annual Cap for the year ended December 31, 2025.

HONG KONG LISTING RULES IMPLICATION

Shanghai YCT is the controlling shareholder of the Company interested in approximately 74.77% of the Company through its indirect wholly-owned subsidiary, Texin, and is ultimately controlled by Mr. Xie Lishu, the Chairman and executive Director and Ms. Huang Shaoli, a non-executive Director. As such, Shanghai YCT is a connected person of the Company and the transactions contemplated under the Master Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

At the relevant time when the Master Supply Framework Agreement was entered into, all applicable percentage ratios calculated with reference to the Original Annual Cap in respect of transactions contemplated under the Master Supply Framework Agreement were less than 5% and the annual transaction amount is less than HK\$3,000,000. 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.

Pursuant to Rule 14A.54(1) of the Hong Kong Listing Rules, if the Company proposes to revise the Original 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 each of the applicable percentage ratios (as defined under the Hong Kong Listing Rules) relating to the Revised Annual Cap under the Master Supply Framework Agreement between the Group and Shanghai YCT Group is less than 25% and the annual cap is less than HK\$10,000,000, the transactions contemplated under the Master Supply Framework Agreement are subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules but is exempted from the independent shareholders' approval requirements.

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

SGX-ST LISTING MANUAL IMPLICATIONS

The value at risk pursuant to the revised annual cap under the Master Supply Framework Agreement is less than 3% of the Group's latest audited NTA and, when aggregated with all transactions entered into with Shanghai YCT Group's in the current financial year, remains below 3% of the Group's latest audited NTA. Accordingly, Rules 905 and 906 of the SGX-ST Listing Manual are not applicable. This announcement is made to comply with the requirements of the Hong Kong Listing Rules. The Company will continue to monitor transactions with Shanghai YCT Group and will make further announcements at the appropriate juncture, including where required to comply with Rule 905(2) of the SGX-ST Listing Manual.

Reference is made to the announcement of the Company dated February 10, 2025 (the “**Announcement**”), in connection with the 2025 Master Supply Framework Agreement and the 2025 Master Purchase Framework Agreement entered into between the Company and Shanghai YCT. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

TERMINATION OF 2025 MASTER SUPPLY FRAMEWORK AGREEMENT AND 2025 MASTER PURCHASE FRAMEWORK AGREEMENT

Upon friendly and arm's length negotiations between the Company and Shanghai YCT, both parties mutually agreed to enter into a termination agreement on August 14, 2025 to, amongst other things, terminate the 2025 Master Supply Framework Agreement and 2025 Master Purchase Framework Agreement with effect from August 14, 2025 and enter into the Master Supply Framework Agreement. The Board considers that the termination of the 2025 Master Supply Framework Agreement and 2025 Master Purchase Framework Agreement has no material adverse impact on the business, operation or financial conditions of the Group.

MASTER SUPPLY FRAMEWORK AGREEMENT

Details of the Master Supply Framework Agreement are as follows:

Date:	January 1, 2025 (after trading hours)
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 Master Supply Framework Agreement and each relevant sales order, the Group agrees to supply a variety of semi-conductor electronic component products from time to time during the effective term of the Master Supply Framework Agreement
Effective term:	The effective term of the Master Supply Framework Agreement will commence from the date of the Master Supply Framework Agreement, being January 1, 2025 to December 31, 2025 (both days inclusive)

Pricing policy

The terms of the sale shall be determined with reference to prevailing market prices and be on terms no less favourable to the Group than those made available to independent third parties purchasing the same or comparable type of semi-conductor electronic component products.

The prices of the semi-conductor electronic components products will be determined based on the standard price range of the relevant semi-conductor electronic component products set by the Group in accordance with its usual business practices and pricing policy.

The Group's usual business practices and pricing policies include the use of a catalog price list as the baseline for product pricing, along with a recommended sales price to guide adjustments reflecting customer-specific requirements. Discounts are extended to customers based on the quantity of products purchased.

In order to ensure the terms of sale are in line with prevailing market rates and conditions, the Group will compare selling prices of similar semi-conductor electronic component products sold to other customers which are independent third parties, 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 and capacity to undertake the purchase transactions. The transactions shall be settled at such time and in such manner as specified in the relevant purchase orders.

Historical amount

	For the 12-month period ending March 31, 2024 <i>(note)</i> Historical amount (HKD'000)	For the nine months ended December 31, 2024 Historical amount (HKD'000)	For the six months ended June 30, 2025 Historical amount (HKD'000)
Provision of semi-conductor electronic component products	265	2,725	1,985

Note: 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.

The Original Annual Cap and the Revised Annual Cap

The original annual cap pursuant to the Master Supply Framework Agreement for the financial year ended December 31, 2025 is HK\$2,999,999 (the “**Original Annual Cap**”). Based on the information available to the Board, the Board anticipates that the Original Annual Cap will not be sufficient to meet the business needs for the financial year ending December 31, 2025. Accordingly, the Board proposed to revise the Original Annual Cap from HK\$2,999,999 to HK\$7,500,000 for the financial year ending December 31, 2025 (the “**Revised Annual Cap**”).

The Revised Annual Cap for the transactions contemplated under the Master Supply Framework Agreement have been determined with reference to the expected increase in demand of semi-conductor electronic component products from Shanghai YCT Group during the effective term of the Master Supply Framework Agreement.

REASONS FOR AND BENEFITS OF THE REVISED ANNUAL CAP AND THE ENTERING INTO THE MASTER SUPPLY FRAMEWORK AGREEMENT

Mr. Xie Lishu and Ms. Huang Shaoli (the “**Abstained Directors**”), pursuant to their non-competition undertakings provided in favour of the Company as disclosed in the announcement dated May 19, 2023, have recused themselves from participating in the discussions and abstained from voting on the resolutions of the Board for approving the termination of the 2025 Master Supply Framework Agreement and the entering into the Master Supply Framework Agreement and the transactions contemplated thereunder. Furthermore, the Abstained Directors shall not participate in the management or oversight of such transactions. The members of the Board who do not have interest in the transactions (the “**Independent Board**”) were responsible for reviewing and approving the termination of the 2025 Master Supply Framework Agreement and the approving of the Master Supply Framework Agreement.

The Independent Board has assessed that the terms of the New Master Supply Framework Agreement (including the Revised Annual Cap) are fair and reasonable, the transactions are constituted thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group and in the interest of the Company and the Shareholders as a whole. The Independent Board also considers that the Master Supply Framework Agreement (including the Revised Annual Cap) constitutes a good opportunity to strengthen the Group's ability to cope with the competitive market environment with the added benefit of securing an additional stable source of income and improving the Group's financial position.

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 termination of the 2025 Master Supply Framework Agreement and the 2025 Master Purchase Framework Agreement and the approving of the Revised Annual Cap and the Master Supply Framework Agreement and the Continuing Connected Transactions;
- (ii) the Independent Board was responsible for deciding, in the absence of the Abstained Directors, regarding the Continuing Connected Transactions; and
- (iii) the independent non-executive Directors have been provided the financial information and other information and professional advice they have requested in relation to the Revised Annual Cap and the Master Supply Framework Agreement 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 and the terms of the Master Supply Framework Agreement and the Revised Annual Cap are fair and reasonable and the Continuing Connected Transactions are on normal commercial terms and in the ordinary and usual course of business of the Group and in the interests and its Shareholders as a whole.

INTERNAL CONTROLS

In order to ensure that the terms under the Master Supply Framework Agreement 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 policies 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 Company will conduct regular checks to review and assess whether the Continuing Connected Transactions are conducted in accordance with the sales orders and purchase orders under the Master Supply Framework Agreement, and will also regularly update the market prices 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) the external auditors of the Company will conduct an annual review on the terms and annual cap of the Continuing Connected Transactions; and
- (iii) the Audit Committee will review at least once a year regarding the implementation and enforcement of the internal controls monitoring the Continuing Connected Transactions.

The sales team shall be responsible for monitoring the market price movements 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 Master Supply Framework Agreement are in line with the pricing policies. The sales orders will then be submitted to the general manager of the marketing department (the “**General Manager**”) for approval. The General Manager shall determine whether the terms of the continuing connected transactions are fair and reasonable and conducted in accordance with the Master Supply Framework Agreement and assess the Group’s capacity to undertake the sales orders.

To ensure that the Continuing Connected Transactions would not exceed the respective annual cap, our risk control department shall check the sales amount at our 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.

INFORMATION ON THE PARTIES

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.

Information of Shanghai YCT

Shanghai YCT is a well-known authorized 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.

HONG KONG LISTING RULES IMPLICATION

Shanghai YCT is the controlling shareholder of the Company interested in approximately 74.77% of the Company through its indirect wholly-owned subsidiary, Texin, and is ultimately controlled by Mr. Xie Lishu, the Chairman and executive Director, and Ms. Huang Shaoli, a non-executive Director. As such, Shanghai YCT is a connected person of the Company and the transactions contemplated under the Master Supply Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

At the relevant time when the Master Supply Framework Agreement was entered into, all applicable percentage ratios calculated with reference to the Original Annual Cap in respect of transactions contemplated under the Master Supply Framework Agreement were less than 5% and the annual transaction amount is less than HK\$3,000,000. 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.

Pursuant to Rule 14A.54(1) of the Hong Kong Listing Rules, if the Company proposes to revise the Original 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 each of the applicable percentage ratios (as defined under the Hong Kong Listing Rules) relating to the Revised Annual Cap under the Master Supply Framework Agreement between the Group and Shanghai YCT Group is less than 25% and the annual cap is less than HK\$10,000,000, the transactions contemplated under the Master Supply Framework Agreement are subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules but is exempted from the independent shareholders' approval requirements.

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

SGX-ST LISTING MANUAL IMPLICATIONS

The value at risk pursuant to the revised annual cap under the Master Supply Framework Agreement is less than 3% of the Group's latest audited NTA and, when aggregated with all transactions entered into with Shanghai YCT Group's in the current financial year, remains below 3% of the Group's latest audited NTA. Accordingly, Rules 905 and 906 of the SGX-ST Listing Manual are not applicable. This announcement is made to comply with the requirements of the Hong Kong Listing Rules. The Company will continue to monitor transactions with Shanghai YCT Group and will make further announcements at the appropriate juncture, including where required to comply with Rule 905(2) of the SGX-ST Listing Manual.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“2025 Master Supply Framework Agreement”	the agreement entered into between the Company and Shanghai YCT dated February 10, 2025, pursuant to which the Group agreed to supply semi-conductor electronic component products to Shanghai YCT Group
“2025 Master Purchase Framework Agreement”	the agreement entered into between the Company and Shanghai YCT dated February 10, 2025, pursuant to which the Group agreed to purchase semi-conductor electronic component products from Shanghai YCT Group
“associates”	has the meaning ascribed thereto in the Hong Kong Listing Rules and the SGX-ST Listing Manual (as the case may be)
“Audit Committee”	the Company’s audit committee, comprising Mr. Tso Sze Wai, Mr. Chong Eng Wee, Mr. Lau Chin Huat and Mr. Jiang Maolin as at the date of this announcement
“Board”	the board of Directors
“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 Shares are listed and traded on the Mainboard of the SGX-ST (stock code: BDR) and the Main Board of the Hong Kong Stock Exchange (stock code: 854)
“connected person(s)”	has the same meaning ascribed thereto under the Hong Kong Listing Rules
“Continuing Connected Transactions”	the transactions to be carried out under the Master Supply Framework Agreement
“Director(s)”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“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
“Master Supply Framework Agreement”	the agreement entered into between the Company and Shanghai YCT dated January 1, 2025, pursuant to which the Group agreed to supply electronic components to Shanghai YCT Group
“NTA”	net tangible assets
“Original Annual Cap”	the original annual cap under the Master Supply Framework Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Revised Annual Cap”	the revised annual cap under the Master Supply Framework Agreement
“SGX-ST”	Singapore Exchange Securities Trading Limited
“SGX-ST Listing Manual”	the Mainboard rules of the listing manual of the Singapore Stock Exchange
“Shanghai YCT”	Shanghai YCT Electronics Group Company Limited (上海雅創電子集團股份有限公司), a company established under the laws of the PRC, with its shares listed on the Shenzhen Stock Exchange (stock code: 301099)
“Shanghai YCT Group”	Shanghai YCT and its subsidiaries
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the same meaning ascribed thereto under the Hong Kong Listing Rules
“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

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong/Singapore, August 14, 2025

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

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