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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)**

**OVERSEAS REGULATORY ANNOUNCEMENT**

This overseas regulatory announcement is issued pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the following pages of the document which has been published by Willas-Array Electronics (Holdings) Limited (the “Company”) on the website of Singapore Exchange Securities Trading Limited on September 8, 2023.

For and on behalf of  
**Willas-Array Electronics (Holdings) Limited**  
**Leung Hon Shing**  
*Executive Director and Company Secretary*

Hong Kong, September 8, 2023

*As at the date of this announcement, the Board comprises two Non-executive Directors, namely Xie Lishu (Chairman) and Huang Shaoli; two Executive Directors, namely Hon Kar Chun (Managing Director) and Leung Hon Shing; and five Independent Non-executive Directors, namely Chong Eng Wee, Tong Kai Cheong, Lau Chin Huat, Tso Sze Wai and Jiang Maolin.*

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### **RESPONSES TO QUERIES**

#### **FROM SINGAPORE EXCHANGE REGULATION ON THE COMPANY'S ANNOUNCEMENTS IN RELATION TO APPOINTMENT OF DIRECTORS AND RESIGNATION OF A DIRECTOR**

Willas-Array Electronics (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) has received certain queries (collectively the “**Queries**”) from Singapore Exchange Regulation (“**SGX RegCo**”) on August 31, 2023 regarding the announcements of the Company dated August 14, 2023 and August 24, 2023 regarding the appointment of Mr. Chong Eng Wee, announcement dated August 24, 2023 regarding the appointment of Mr. Lau Chin Huat, announcement dated August 24, 2023 regarding the list of directors and their roles and functions and announcement dated August 29, 2023 regarding the resignation of Mr. Hon Kar Chun (the “**Announcements**”). The Queries and the Company’s responses to the Queries are set out in full as follows.

Unless otherwise defined below, all capitalised terms used in the Company’s responses below shall have the same meanings as ascribed to them in the corresponding Announcements.

#### **SGX RegCo’s Query 1:**

*Please disclose the Board’s assessment of how Mr. Chong Eng Wee will have sufficient time and bandwidth to fulfil his responsibilities as a Lead Independent Director of the Company effectively, considering his numerous concurrent appointments, including the Managing Director of Chevalier Law LLC, Partner of Nixon Peabody CWL, directorships in 4 companies and company secretary in 5 companies, many of which are listed. In your response, please justify and demonstrate how Mr.*

*Chong will have sufficient time and bandwidth, disclosing details for each of the above companies, the number of meetings he needs to attend and the time and bandwidth required, as well as the amount of time required of him as the Lead Independent Director of the Company.*

**Company’s Response:**

The Company understands from Mr. Chong the following:

“My main commitments include my practice of Singapore law at Chevalier Law LLC (“**CLL**”) and practice of Hong Kong law at Nixon Peabody CWL (“**NPCWL**”). These primarily involve undertaking business development/origination activities and management duties at CLL and business development activities at NPCWL. Being based in Singapore, I typically attend to more Singapore law matters (as opposed to Hong Kong law matters). I also receive substantial support from other lawyers at CLL and NPCWL primarily responsible for the execution of the Singapore and Hong Kong legal work respectively.

My appointments as Company Secretary for the 5 listed companies constitute part of CLL’s legal and corporate secretarial practice with various CLL’s lawyers and/or corporate secretarial executives, who are primarily responsible for fulfilling the corporate secretarial duties for such listed companies. The typical number of board meetings which I may attend as Company Secretary for such listed companies in a year is as follows:

No.	Name of listed company	Number of board meetings & annual general meeting/ year
1)	LHN Limited	5
2)	China Vanadium Titano-Magnetite Mining Company Limited	5
3)	Shanghai Turbo Enterprises Limited	5
4)	Sincap Group Limited	3
5)	<p>LHN Logistics Limited (“<b>LHN Logistics</b>”)</p> <p><u>Note:</u> LHN Logistics is currently the subject of a voluntary general offer which has been declared unconditional (based on an announcement dated August 21, 2023). Subsequent to the offeror exercising its right to compulsorily acquire all the offer shares not acquired under the offer, the offeror will proceed to delist LHN Logistics from the Catalist Board of SGX-ST. As the offeror may choose to change corporate secretarial service provider following such delisting, I may no longer be required to attend the board meetings for LHN Logistics by end 2023.</p>	3

Other than the Company, I am currently an Independent and Non-Executive Director (“**INED**”) of 2 other SGX-ST listed companies, being Heatec Jietong Holdings Limited (“**Heatec Jietong**”) and OEL (Holdings) Limited (“**OEL**”). I am currently the Chairman of the Nominating Committee of Heatec Jietong and a member of the Audit and Risks Management Committee of Heatec Jietong. I am the Chairman of the Nominating Committee and Remuneration Committees of OEL and am a member of the Audit Committee of OEL. The typical number of board meetings and board committee meetings which I may attend as INED for such listed companies in a year is as follows:

<b>No.</b>	<b>Name of listed company</b>	<b>Number of board meetings/ year</b>	<b>Number of board committee meetings/ year</b>
1)	Willas-Array Electronics (Holdings) Limited	5	8
2)	Heatec Jietong Holdings Limited	4	6
3)	OEL (Holdings) Limited	2	4

I am a local nominee and non-executive director at Coronet Ventures (Singapore) Pte Ltd and a director at Chevalier CS Pte Ltd, a dormant company. Accordingly, I am not expected to attend board meetings or incur much time in connection with my directorships at these companies.

As I can plan my business development and origination activities for CLL and/or NPCWL to accommodate the scheduled meetings and/or time to be incurred or arising in connection with my aforesaid duties as Company Secretary and/or INED and with my familiarity with the listing rules and applicable laws in both Singapore and Hong Kong and my prior experience as an INED of both Singapore and Hong Kong listed companies, I am confident that I can effectively discharge my duties as the Lead Independent Director of the Company and as the chairman and/or member of the various committees which have been established by the Board.”

As the Lead Independent Director of the Company, Mr. Chong will be expected to attend, in addition to the expected 5 board meetings already mentioned above and the annual general meeting of the Company, at least another meeting of the non-executive directors without the presence of management. As the Lead Independent Director, Mr. Chong will also be available to the shareholders of the Company where they have concerns and for which contact through the normal channels of communication with the Chairman, the Managing Director or the chief financial officer are inappropriate or inadequate. Mr. Chong is not expected to incur significant time in respect of this latter function.

Having considered the foregoing, and owing to his experience as and familiarity with the role of INED of other companies listed on the SGX-ST and Hong Kong Stock Exchange, the Nomination Committee of the Company (“**NC**”) and the Board were of the view that despite Mr. Chong’s concurrent appointments, he will be able to effectively discharge his duties as the Lead Independent Director of the Company and chairman and/or member of the various committees of the Board.

The NC and the Board further noted that as part of his law practice, Mr. Chong has advised, and continues to render advice to Singapore and Hong Kong listed companies on various capital markets, regulatory compliance and corporate governance matters. The above, coupled with Mr. Chong's ability to communicate in both English and Chinese, enables him to be efficient and effective in communicating with the management and other Board members. Accordingly, the NC and the Board deemed Mr. Chong suitable to be appointed as a Director and the Lead Independent Director.

**SGX RegCo's Query 2:**

*Please disclose the Board's assessment of how Mr. Lau Chin Huat will have sufficient time and bandwidth to fulfil his responsibilities effective as an Independent Director of the Company and Chair of the Audit Committee ("AC") among others, considering his numerous concurrent appointments. These include the role as Founder of Lau Chin Huat & Co., Independent Chairman of Kimly Limited, directorships of 9 companies and sole proprietor of E-Management. In your response, please justify and demonstrate how Mr. Lau will have sufficient time and bandwidth, disclosing details for each of the above companies, the number of meetings he needs to attend and the time and bandwidth required, as well as the amount of time required of him as the Independent Director of the Company, AC Chair and others.*

**Company's Response:**

The Company understands from Mr. Lau the following:

Save for Technic Inter-Asia Pte. Ltd. which carries out insolvency and restructuring related business and Lau Chin Huat & Co which carries out accountancy-related business, the other entities are dormant companies or passive investment holding companies which do not require Mr. Lau to attend board meetings nor incur much time in connection with positions at these companies.

Name of Corporation or Firm		Nature of Interest	
Present	Period	Position	
Lau Chin Huat & Co	1986 - present	Founder / Executive	Public Accountant
Kimly Limited	2021 - present	Non-Executive Independent Chairman	Kimly Limited is listed on the SGX and has been exempted from quarterly reporting. Mr. Lau spends about 6 days a year at meetings.
Technic Inter-Asia Pte. Ltd.	1995 - present	Director	Accountancy related business
Adagio International Pte. Ltd.	2003 - present	Director	No material transactions
Altigen Communications Pte. Ltd.	2004 - present	Director	Dormant company
Enterprise Showroom Pte. Ltd.	2006 - present	Director	Investment holding company
Enterprise 1 Pte. Ltd.	2006 - present	Director	Investment holding company
Bedok Lake Pte. Ltd.	2007 - present	Director	Dormant company
Northstar One Pte. Ltd.	2007 - present	Director	Investment holding company
North Face Pte. Ltd.	2008 - present	Director	Dormant company
One Commonwealth Pte. Ltd.	2009 - present	Director	Investment holding company
E-Management	1998 - present	Sole-Proprietor	Dormant company

As an INED, Mr. Lau will be expected to attend 5 board meetings every year and the annual general meeting of the Company as well as at least one another meeting of the non-executive directors without the presence of management. As the Chairman of the Audit Committee and member of the other board committees of the Company, Mr. Lau will be expected to attend 8 such meetings per year. As Chairman of the Audit Committee, the internal auditors of the Group will report directly to Mr. Lau and he will, in turn, refer the findings of the internal auditors to the Audit Committee.

Having considered the foregoing and Mr. Lau's assurance that save as listed above, he does not expect to incur much time in connection with his positions at the foregoing entities companies, the NC and the Board were of the view that despite Mr. Lau's concurrent appointments, he will be able to discharge his duties as an INED and chairman and/or member of the various committees of the Board.

### **SGX RegCo's Query 3:**

*In its announcement dated 29 August 2023 regarding the resignation of Mr. Hon Kar Chun, the Company stated that “after the change of the single largest shareholder and the leadership of the Company, he has tried his very best to cope with the new working style, management and way of communication. However it is not the way he can work with”.*

- a. Please disclose details on what the “new working style, management and way of communication” (“New Approach”) is referring to and how this is “not the way [Mr. Hon] can work with”.*
- b. Please also elaborate and provide details, where relevant, of issues encountered where the New Approach had resulted in Mr. Hon believing he is not able to work with Mr. Xie's New Approach. In particular, please highlight examples where any conflict is in relation to executive decisions of the Company;*
- c. Please explain why the above do not constitute unresolved differences in opinion on material matters with the Board, including matters which would have a material impact on the group or its financial reporting.*

### **Company's Response:**

The Company understands from Mr. Hon the following:

- a. In Mr. Hon's view, the “New Approach” refers to the style of Mr. Xie want to have more control over decision-making in accordance with his own suggestion and with little discussion or consensus reached with his fellow members, and expects his orders and decisions are strictly and quickly executed and or followed by his peer and subordinates. In Mr. Hon's opinion, this New Approach is neither the way the Company used to be operated nor the way Mr. Hon could accept.
- b. On separate occasions in June and July 2023, it was brought to Mr. Hon's attention that Mr. Xie and Ms. Huang Shaoli have taken initiatives to intervene in several aspects of the daily operations of the Group. In this respect, Mr. Hon recalled that he had reminded Mr. Xie that non-executive directors should not be involved in daily operations, and should observe the non-competition requirements and other obligations under the Undertaking as described in the announcement of the Company which was made on May 19, 2023. The aforementioned interventions were eventually guarded as Mr. Hon (together with other senior management) have taken or caused to be taken corresponding measures in a timely manner.

Mr. Hon is also of the view that the “New Approach” in general has created lot of friction between him and Mr. Xie. In Mr. Hon's opinion, one example was in relation to the incentive system for the sales and marketing team, where Mr. Xie suggested the Company to change to a

commission system despite Mr. Hon having explained to him that the existing incentive system is tailor-made according to the structure and organisation of the Company and hence should not be changed. However, Mr. Xie was not satisfied with Mr. Hon's explanation and kept on pushing him to change for a while.

- c. As at the date of this announcement, Mr. Hon is of the opinion that there is no unresolved difference in opinion on material matters between Mr. Hon and the Board. However, as disclosed above, there are fundamental differences of views between Mr. Hon and Mr. Xie in terms of management style.

In response to the above, the Company also wishes to inform that it has received the following statements from Mr. Xie:

- i. in relation to paragraph (a) above, in Mr. Xie's view, there have been no such "New Approach". All proposals and/or decisions will only be made or effected after discussions at Board meetings.
- ii. in relation to paragraph (b) above, in Mr. Xie's view, there is a misunderstanding as he has to date, transmitted or provided various market information to the Company's staff and/or sought information from the Company's staff to better understand the Company's operations status from the Company's staff. From Mr. Xie's recollection, he has only proposed the change to such incentive system on two separate occasions and both proposals were communicated verbally as suggestions to Mr. Hon.

By Order of the Board  
**Willas-Array Electronics (Holdings) Limited**  
**Leung Hon Shing**  
*Executive Director and Company Secretary*

Hong Kong/Singapore, September 8, 2023

*As at the date of this announcement, the Board comprises two Non-executive Directors, namely Xie Lishu (Chairman) and Huang Shaoli; two Executive Directors, namely Hon Kar Chun (Managing Director) and Leung Hon Shing; and five Independent Non-executive Directors, namely Chong Eng Wee, Tong Kai Cheong, 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.*