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## **Willas-Array proposes 1-for-5 rights issue to finance business expansion and strengthen working capital**

- *Plans to raise between S\$5.9 million to S\$8 million in net proceeds*
- *Issue price of S\$0.12 represents a discount of approximately 35% to the closing price of S\$0.185 on 26 January 2011*

**SINGAPORE – 27 January 2011 – Willas-Array Electronics (Holdings) Limited (“Willas-Array” or “The Group”)**, one of the largest Hong Kong-based distributors of electronics components in the Asia Pacific region, today proposes to conduct a rights issue to finance the Group’s business expansion and strengthen its working capital.

The Group plans to raise between S\$5.9 million to S\$8.0 million in net proceeds via a renounceable non-underwritten rights issue of up to 68,354,200 Rights Shares, at an issue price of S\$0.12 (the “Issue Price”), on the basis of one (1) Rights Share for every five (5) existing Shares.

The Issue Price represents a discount of approximately 35% to the closing price of S\$0.185 on 26 January 2011.

To demonstrate their confidence in the Rights Issue and to show their commitment to the Group, three Undertaking Shareholders who collectively owned 41.88% of Willas-Array’s issued share capital have each irrevocably undertaken to subscribe for their respective full provisional allotment of Rights Shares as well as the allocated excess Rights Shares. The three Undertaking Shareholders are Max Power Assets Limited, Global Success International Limited and Optimist Profits Limited.

“The Board and Management have made the strategic decision to carry out a Rights Issue after deliberating all possible avenues to strengthen our financial position. Although we have healthy cash flows and a strong balance sheet which are adequate to support our current operating activities, we would like to be two steps ahead and further strengthen our working capital. This will place us in a stronger position to assess and take on future business opportunities in a swift manner. The Rights Issue will also give our shareholders a greater opportunity to participate in the future growth of the Company,” said Mr Lawrence Leung, Chairman of Willas-Array.

Entitled Depositors and Entitled Scripholders are eligible to participate in the proposed rights issue. The Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date.

The Rights Issue is subject to:

- (i) the in-principle approval of the SGX-ST for the Rights Issue;
- (ii) the approval of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the SGX-ST; and
- (iii) the lodgement of the Offer Information Statement.

***About Willas-Array Electronics (Holdings) Limited***

*Established in the early 1980s and listed on the Main Board of the Singapore Exchange in 2001, Hong Kong-based Willas-Array is principally engaged in the distribution of active and passive components for use in the audio/video, telecommunications, industrial, consumer and computer segments. Backed by long-standing relationships with over 20 reputable Principals, Willas-Array carries a wide product mix, distributing and marketing in excess of 10,000 product items which cater to over 2,000 active customers. Its main markets are in Hong Kong and China.*

*In China, Willas-Array has established a network of offices strategically located in Beijing, Chengdu, Guangzhou, Qingdao, Shanghai, Shenzhen, Tianjin, Xiamen, and Zhongshan. It has a subsidiary in the Free Trade Zone in Shanghai which serves as a logistics centre for the Group in North China.*

*Willas-Array also has a wholly-owned subsidiary in Taipei to tap on the growing number of large electronic manufacturers in Taiwan doing business in China.*

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