

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED
(the "**Company**")
(Company Registration Number: 28969)
(Incorporated in Bermuda)

PROPOSED RENOUNCEABLE NON- UNDERWRITTEN RIGHTS ISSUE OF UP TO 68,354,200 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE "RIGHTS SHARES") AT AN ISSUE PRICE OF S\$0.12 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FIVE (5) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY, HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE")

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the announcement made by the Company on 27 January 2011 (the "Initial Announcement").

1. APPROVAL IN-PRINCIPLE FOR THE LISTING OF AND QUOTATION FOR THE RIGHTS SHARES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")

Further to the Initial Announcement, the Company is pleased to announce that in-principle approval has been obtained from the SGX-ST on 22 February 2011 for the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST.

The in-principle approval of the SGX-ST is subject to the following conditions:-

- (a) compliance with the SGX-ST's listing requirements;
- (b) a written undertaking from the Company that it will make periodic announcements on the use of the proceeds from the Rights Issue and that it will provide status report on the use of the proceeds in the annual report;
- (c) a written undertaking from the Company that in the allotment of any excess Rights Shares, preference will be given to the rounding of odd lots, and directors and substantial shareholders of the Company will rank last in priority; and
- (d) a written confirmation from financial institution(s) that the shareholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under their undertakings.

The SGX-ST's in-principle approval is not an indication of the merits of the Company, its subsidiaries, the Shares, the Rights Shares and the Rights Issue.

2. DETAILS ON THE INTENDED USE OF PROCEEDS FROM THE RIGHTS ISSUE

In the Initial Announcement, the Company had announced that the net proceeds from the Rights Issue after deducting estimated expenses in relation thereto are expected to be between S\$5.9 million (in the Minimum Subscription Scenario) and S\$8.0m (in the Maximum Subscription Scenario).

The Company had also announced that it intends to utilise the proceeds from the Rights Issue to finance the Group's business expansion as well as for the Group's general working capital purposes.

Further to the above, the Company wishes to announce that it intends to allocate the gross proceeds from the Rights Issue to the intended uses according to the following allocation:

| Maximum Subscription Scenario (S\$8.2 million gross proceeds) | | | |
|--|---|-----------------------------|--|
| Intended Use | Approximate Amount (S\$ million) | Per S\$1 of proceeds | As a percentage of the total gross proceeds |
| (a) Working capital purposes | 7.0 | 0.86 | 86% |
| (b) Business expansion | 1.0 | 0.12 | 12% |
| (c) Expenses incurred in connection with the Rights Issue | 0.2 | 0.02 | 2% |
| Total | 8.2 | 1.00 | 100% |

| Minimum Subscription Scenario (S\$6.1 million gross proceeds) | | | |
|--|---|-----------------------------|--|
| Intended Use | Approximate Amount (S\$ million) | Per S\$1 of proceeds | As a percentage of the total gross proceeds |
| (a) Working capital purposes | 4.9 | 0.81 | 81% |
| (b) Business expansion | 1.0 | 0.16 | 16% |
| (c) Expenses incurred in connection with the Rights Issue | 0.2 | 0.03 | 3% |
| Total | 6.1 | 1.00 | 100% |

Information on the details of the Rights Issue will be provided in an Offer Information Statement to be despatched to Shareholders in due course.

By Order of the Board

Leung Chun Wah
Chairman
22 February 2011