

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

(the "**Company**")

(Company Registration Number: 28969)

(Incorporated in Bermuda)

ANNOUNCEMENT IN RELATION TO ADJUSTMENTS TO THE EXERCISE PRICE AND NUMBER OF SHARE OPTIONS PURSUANT TO THE RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE (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 offer information statement dated 15 March 2011 issued by the Company.

Further to the Company's announcement dated 8 April 2011 that 62,000,000 Rights Shares have been allotted and issued by the Company pursuant to the Rights Issue, the Directors wish to announce that, as a consequence of the Rights Issue, the following adjustments shall be made to the number and exercise price of the Unexercised Options, in accordance with the rules of the ESOS:

- **Adjustment to Number**

In connection with the issue of one (1) Rights Share for every five (5) Shares pursuant to the Rights Issue, the number of Shares comprised in the Unexercised Options shall be adjusted on the basis of one (1) additional Option for every five (5) Unexercised Options held as at 14 March 2011, being the Books Closure Date for the Rights Issue.

- **Adjustment to Exercise Price**

Following the above adjustment, the exercise price of each Option will be consequently adjusted downwards by a factor of one-sixth (1/6).

To illustrate, an employee who currently holds five (5) Unexercised Options with an exercise price of S\$0.28 each shall receive one (1) additional Option, and each of the six (6) Options he holds post-adjustment will have an exercise price of S\$0.233.

Accordingly, the following adjustments were made:

ESOS	Date of grant	Exercise period	Original number of Options as at the Book Closure Date	Number of Options after adjusting for the Rights Issue	Original exercise price per Share	Exercise price per Share after adjusting for the Rights Issue
ESOS I	14 June 2001	14 June 2002 to 13 June 2011	6,032,000	7,238,400	S\$0.280	S\$0.233
ESOS II	11 April 2002	11 April 2004 to 10 April 2012	5,740,000	6,888,000	S\$0.180	S\$0.150
ESOS II	6 May 2003	6 May 2005 to 5 May 2013	1,100,000	1,320,000	S\$0.110	S\$0.092
ESOS II	17 April 2004	17 April 2006 to 16 April 2014	9,450,000	11,340,000	S\$0.180	S\$0.150
ESOS II	18 November	18 November	350,000	420,000	S\$0.145	S\$0.121

	2004	2006 to 17 November 2014				
ESOS II	2 October 2009	2 October 2011 to 1 October 2019	9,099,000	10,918,800	S\$0.080	S\$0.067
			<u>31,771,000</u>	<u>38,125,200</u>		

Pursuant to the above adjustments, a total of 6,354,200 additional Options will be granted, bringing the total number of outstanding Options post-adjustment to 38,125,200.

The Company's auditors have confirmed that the above adjustments are in accordance with the rules of the ESOS.

By Order of the Board

Leung Chun Wah
Chairman
12 May 2011