

WE HOLDINGS LTD.

(Company Registration No. 198600445D)
(Incorporated in the Republic of Singapore)
(the "Company")

PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE - CHANGE IN USE OF PROCEEDS

Unless otherwise defined, capitalised terms shall have the same meaning as ascribed to them in the Company's announcement dated 2 April 2013 ("**Announcement**") and the circular dated 21 June 2013 ("**Circular**") in relation to, inter alia, the proposed renounceable underwritten rights cum warrants issue ("**FY2013 Rights cum Warrants Issue**").

The Board of Directors (the "**Board**") of the Company (and together with its subsidiaries, the "**Group**") refers to the Announcement, the Circular, and the unaudited half year financial statement announcement for the financial year ended 30 September 2013 ("**HY2014**") dated 13 November 2013 ("**Financial Results Announcement**").

It was disclosed in the Circular that the estimated net proceeds of S\$10.68 million from the FY2013 Rights cum Warrants Issue ("**Net Proceeds**") was intended to be used for purposes as stated in the table below. The Company further provided a status update on the use of Net Proceeds in the Financial Results Announcement.

As at the date of this announcement, the details on the use of Net Proceeds are as follows:

Intended Use	Amount Allocated	Amount Utilised	Balance
Funding of the Proposed New Business	S\$6.94 million	S\$0.20 million	S\$6.74 million
General working capital	S\$3.74 million	S\$3.74 million	-
Total	S\$10.68 million	S\$5.94 million	S\$6.74 million

Based on the above, and as at the date of this announcement, there is a residual of S\$6.74 million from the Net Proceeds which has not been utilised ("**Balance Proceeds**").

On 4 February 2014, the Company announced that the conditional sale and purchase agreement ("**Europtronic SPA**") with Europtronic Group Ltd., Huang Shih-An, Huang Chuang Shueh-Oh and Huang Yun Ju for the acquisition of the entire issued share capital of Europtronic (Singapore) Pte. Ltd. from Europtronic Group Ltd. (as announced by the Company on 12 September 2013) had been terminated by agreement of all parties due to uncertainties on whether the conditions precedent thereunder could be fulfilled. Instead, the Company, through its subsidiaries, WE Components Pte. Ltd. and WE Components Co. Ltd. had on the same date entered into a service agreement with Europtronic (Singapore) Pte. Ltd. ("**Service Agreement**"), whereby Europtronic (Singapore) Pte. Ltd. was appointed as WE Components Pte. Ltd. and WE Components Co. Ltd.'s supplier of components in Singapore and Thailand respectively, in which Europtronic (Singapore) Pte. Ltd. shall buy such components to be supplied from Samsung Electro-Mechanics Pte. Ltd. and supply the same to WE Components Pte. Ltd. and WE Components Co. Ltd. customers on their behalves. Pursuant to the

above, there has been a sudden increase in working capital requirements of the Group for payments to be made under the Service Agreement.

As the Group has no immediate use for the originally intended purpose of funding the Proposed New Business, the Company believes that part of the Balance Proceeds allocated for funding of the Proposed New Business will be better utilised towards working capital requirements arising from the Service Agreement, in order to meet such working capital demands which include, amongst others, payments to Eurotronic (Singapore) Pte. Ltd. for the purchase of components. As such, the Company intends to re-allocate S\$2 million from the Balance Proceeds for such purpose. Following such reallocation, the Balance Proceeds allocated for funding of the Proposed New Business will be S\$4.74 million.

The Board will make further announcement when the Balance Proceeds have been fully utilised.

For and On Behalf of the Board

Terence Tea Yeok Kian
Executive Chairman and Managing Director
14 February 2014

This Announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (SGX-ST). The Company's Sponsor has not independently verified the contents of the Announcements.

This Announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Announcement including the correctness of any of the statements or opinions made or reports contained in this Announcement.

The contact person for the Sponsor is:-

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