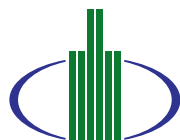


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*This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



**WLS Holdings Limited**  
**滙隆控股有限公司\***

*(incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 8021)**

**(I) PROPOSED SHARE CONSOLIDATION;**  
**(II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;**  
**AND**  
**(III) PLACING OF NEW CONSOLIDATED SHARES**  
**UNDER A SPECIFIC MANDATE**

**Financial Adviser to the Company**



**Placing Agent**

**TANRICH**

**Tanrich Securities Company Limited**

\* For identification purposes only

## **(I) PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Shares of HK\$0.04 each will be consolidated into one (1) Consolidated Share of HK\$0.20 each.

The Shares are currently traded on GEM in board lots of 10,000 Shares. Upon the Share Consolidation becoming effective, the Consolidated Shares will continue to be traded in board lots of 10,000 Consolidated Shares.

## **(II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 2,500,000,000 Shares, of which 479,438,173 Shares have been allotted and issued as fully paid or credited as fully paid.

Immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$100,000,000 divided into 500,000,000 Consolidated Shares of HK\$0.20 each, of which 95,887,634 Consolidated Shares will be in issue.

In order to facilitate the proposed Placing under the Specific Mandate and to provide the Company with greater flexibility for future expansion in the share capital of the Company, the Directors propose that, subject to the Share Consolidation becoming effective, the authorised share capital of the Company will be increased from HK\$100,000,000 divided into 500,000,000 Consolidated Shares to HK\$400,000,000 divided into 2,000,000,000 Consolidated Shares by the creation of an additional 1,500,000,000 Consolidated Shares, which will, upon issue and fully paid, shall rank *pari passu* in all respects with the Consolidated Shares in issue.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM and the Share Consolidation becoming effective.

## **(III) PLACING OF NEW CONSOLIDATED SHARES UNDER A SPECIFIC MANDATE**

After trading hours on 21 January 2015, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to place a maximum number of 540,000,000 new Consolidated Shares, on a best effort basis, to not less than six Places at the Placing Price of HK\$0.30 per Placing Share.

Assuming no further issue of new Shares and/or Consolidated Shares and/or repurchase of Shares and/or Consolidated Shares, the maximum number of 540,000,000 Placing Shares under the Placing represents approximately 563.16% of the issued share capital of the Company comprising 95,887,634 Consolidated Shares (assuming the Share Consolidation becoming effective) as at the date of this announcement and approximately 84.92% of the issued share capital of the Company comprising 635,887,634 Consolidated Shares as enlarged by the Placing Shares and after the Share Consolidation has become effective. The aggregate nominal value of the Placing Shares under the Placing will be HK\$108,000,000.

The maximum number of 540,000,000 Placing Shares to be placed under the Placing will be issued pursuant to the Specific Mandate to be obtained at the SGM. The Placing Shares shall rank, upon issue, *pari passu* in all respects with the Consolidated Shares in issue as at the date of allotment and issue of the Placing Shares.

The Placing Price of HK\$0.30 per Placing Share represents (i) a discount of approximately 42.31% to the theoretical closing price of HK\$0.520 per Consolidated Share (based on the closing price of HK\$0.104 per Share as quoted on the Stock Exchange on the Last Trading Date and adjusted taking into account the effect of the Share Consolidation); and (ii) a discount of approximately 41.06% to the average theoretical closing price of HK\$0.509 per Consolidated Share (based on the average closing price of HK\$0.1018 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares immediately prior to the Last Trading Date and adjusted taking into account the effect of the Share Consolidation).

On the assumption that the Placing Shares are successfully placed in full, the gross proceeds from the Placing will be HK\$162,000,000 and the net proceeds from the Placing (after deduction of the placing commission and other related expenses of the Placing) will be approximately HK\$159,760,000.

**Completion of the Placing is subject to the fulfillment of conditions precedent as set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and/or the Consolidated Shares.**

#### **(IV) GENERAL**

The Circular containing, among other things, (i) further details of the Share Consolidation; (ii) particulars of the Increase in Authorised Share Capital; (iii) further details of the Placing; and (iv) the notice of the SGM and the related form of proxy, will be despatched to the Shareholders on or before 10 February 2015.

## **(I) PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Shares of HK\$0.04 each will be consolidated into one (1) Consolidated Share of HK\$0.20 each.

### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 2,500,000,000 Shares of HK\$0.04 each, of which 479,438,173 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, on the basis that the Company does not allot, issue or repurchase any Shares prior thereto, the authorised share capital of the Company shall become HK\$100,000,000 divided into 500,000,000 Consolidated Shares of HK\$0.20 each, of which 95,887,634 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in accordance with the Company's memorandum and bye-laws.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders may be entitled.

### **Conditions Precedent to the Share Consolidation**

The Share Consolidation is conditional on:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;
- (ii) the Listing Division of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the Bermuda law (where applicable) and the GEM Listing Rules to effect the Share Consolidation.

## **Listing Application**

An application will be made by the Company to the Listing Division of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **Reasons for the Share Consolidation**

The proposed Share Consolidation will increase the nominal value of the Shares and decrease the total number of Shares currently in issue. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Shares. The Board also believes that the Share Consolidation may attract more investors and extend the shareholders' base of the Company. Furthermore, the Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules. Accordingly, the Directors consider that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

## **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

## **Board lot size**

Currently, the Shares are traded on the Stock Exchange in the board lot size of 10,000 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 10,000 Consolidated Shares.

Based on the closing price of HK\$0.104 per Share (equivalent to the theoretical closing price of HK\$0.520 per Consolidated Share) as at the date of this announcement, the value of each board lot of the Shares is HK\$1,040 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$5,200.

## **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the Circular.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

## **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Tuesday, 3 March 2015 until Monday, 13 April 2015 (both days inclusive), submit share certificates for the Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares (on the basis of five (5) Shares for one (1) Consolidated Share). Thereafter, certificates of Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher. After 4:00 p.m. on Monday, 13 April 2015, existing share certificates for the Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

The colour of the new share certificates for the Consolidated Shares will be announced by the Company in due course.

## **Adjustments in relation to other securities of the Company**

As at the date of this announcement, there are outstanding Options entitling the holders thereof to subscribe for up to an aggregate of 21,445,000 Shares and outstanding Convertible Bonds with the outstanding principal amount of HK\$30,000,000 which are convertible into 75,000,000 Shares. The Directors will determine if any adjustments are required to be made in respect of the above as a result of the Share Consolidation. The Company will make further announcement(s) about the adjustment(s) in due course if and when appropriate.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares or Consolidated Shares, as the case may be.

## **Expected timetable**

Set out below is the expected timetable for the implementation of the Share Consolidation:

Expected date of despatch of the Circular with  
notice and form of proxy of the SGM ..... Tuesday, 10 February 2015

Latest date and time for lodging forms of proxy  
for the SGM ..... 11:00 a.m. on  
Saturday, 28 February 2015

Date and time of the SGM ..... 11:00 a.m. on  
Monday, 2 March 2015

Announcement of voting result of the SGM ..... Monday, 2 March 2015

**The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation:**

**Effective date of the Share Consolidation ..... Tuesday, 3 March 2015**

Dealing in the Consolidated Shares commences ..... 9:00 a.m. on  
Tuesday, 3 March 2015

First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares ..... Tuesday, 3 March 2015

Original counter for trading in the Shares in board lots of 10,000 Shares (in the form of existing share certificates) temporarily closes ..... 9:00 a.m. on Tuesday, 3 March 2015

Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) opens ..... 9:00 a.m. on Tuesday, 3 March 2015

Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens ..... 9:00 a.m. on Tuesday, 17 March 2015

Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences ..... 9:00 a.m. on Tuesday, 17 March 2015

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares ..... 9:00 a.m. on Tuesday, 17 March 2015

Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) closes ..... 4:00 p.m. on Thursday, 9 April 2015

Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends ..... 4:00 p.m. on Thursday, 9 April 2015



Designated broker ceases to stand in the market  
to provide matching services for  
odd lots of the Consolidated Shares ..... 4:00 p.m. on  
Thursday, 9 April 2015

Last day for free exchange of existing share  
certificates for new share certificates ..... Monday, 13 April 2015

## **(II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 2,500,000,000 Shares, of which 479,438,173 Shares have been allotted and issued as fully paid or credited as fully paid.

Immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$100,000,000 divided into 500,000,000 Consolidated Shares of HK\$0.20 each, of which 95,887,634 Consolidated Shares will be in issue.

In order to facilitate the proposed Placing under the Specific Mandate and to provide the Company with greater flexibility for future expansion in the share capital of the Company, the Directors propose that, subject to the Share Consolidation becoming effective, the authorised share capital of the Company will be increased from HK\$100,000,000 divided into 500,000,000 Consolidated Shares to HK\$400,000,000 divided into 2,000,000,000 Consolidated Shares by the creation of an additional 1,500,000,000 Consolidated Shares, which will, upon issue and fully paid, shall rank *pari passu* in all respects with the Consolidated Shares in issue.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the SGM and the Share Consolidation becoming effective.

The Board is of the view that the Increase in Authorised Share Capital will provide flexibility to the Company in determining its future business plan, and is therefore in the interest of the Company and the Shareholders taken as a whole.

As at the date of this announcement, other than the issue of Shares and/or (as the case may be) the Consolidated Shares upon (i) the exercise of the outstanding Options and conversion of the Convertible Bonds; and (ii) the proposed issue of the Placing Shares (subject to the approval of the Shareholders at the SGM), the Board has no present intention to issue any part of the increased authorised share capital of the Company as proposed. Further announcement(s) will be made by the Company if it proposes to issue any new Shares and/or (as the case may be) the Consolidated Shares in the future in accordance with the GEM Listing Rules.

### **(III) PLACING OF NEW CONSOLIDATED SHARES UNDER A SPECIFIC MANDATE**

#### **The Placing Agreement**

##### *Date*

21 January 2015 (after trading hours)

##### *Issuer*

The Company

##### *Placing Agent*

Tanrich Securities Company Limited

The Placing Agent has conditionally agreed, on a best effort basis and as agent for the Company, to procure not less than six Placees to subscribe for a maximum number of 540,000,000 Placing Shares at the Placing Price. The Placing Agent will receive a placing commission of 1% on the aggregate Placing Price for the Placing Shares successfully placed by the Placing Agent. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market rate.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons or any of their respective associates.

#### **Placees**

The Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owners (where appropriate) are third parties independent of the Company and not connected nor acting in concert with any of the connected persons of the Company or any of their respective associates. The Placing Agent agrees that the identity of the Placees and the number of the Placing Shares to be placed to each Placee shall be subject to the approval by the Company at its sole discretion. The Placing Agent has also undertaken to the Company that none of the Placees would, immediately upon Completion, become a substantial Shareholder (as defined in the GEM Listing Rules) of the Company.

## **Placing Shares**

Assuming no further issue of new Shares and/or Consolidated Shares and/or repurchase of Shares and/or Consolidated Shares, the maximum number of 540,000,000 Placing Shares (with aggregate nominal value of HK\$108,000,000) represents approximately 563.16% of the issued share capital of the Company comprising 95,887,634 Consolidated Shares (assuming the Share Consolidation becoming effective) as at the date of this announcement and approximately 84.92% of the issued share capital of the Company comprising 635,887,634 Consolidated Shares as enlarged by the Placing Shares and after the Share Consolidation has become effective.

## **Ranking of the Placing Shares**

The Placing Shares shall rank, upon issue, *pari passu* in all respects with the Consolidated Shares in issue as at the date of allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.30 per Placing Share represents:

- (i) a discount of approximately 42.31% to the theoretical closing price of HK\$0.520 per Consolidated Share (based on the closing price of HK\$0.104 per Share as quoted on the Stock Exchange on the Last Trading Date and adjusted taking into account the effect of the Share Consolidation); and
- (ii) a discount of approximately 41.06% to the average theoretical closing price of HK\$0.509 per Consolidated Share (based on the average closing price of HK\$0.1018 per Share as quoted on the Stock Exchange for the last five consecutive trading days of the Shares immediately prior to the Last Trading Date and adjusted taking into account the effect of the Share Consolidation).

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the performance of the Shares, the current market conditions and the capital requirements for the future development of the Group. The Board considers that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable, on normal commercial terms, and are in the interests of the Company and its Shareholders as a whole.

Assuming the maximum number of the Placing Shares has been placed, the gross proceeds from the Placing will be HK\$162,000,000 and the net proceeds from the Placing will be approximately HK\$159,760,000. On such basis, the net issue price per Placing Share upon the completion of the Placing in full will be approximately HK\$0.296. The aggregate nominal value of the Placing Shares under the Placing is HK\$108,000,000.

## **Conditions Precedent to the Placing**

The respective obligations of the Placing Agent and the Company under the Placing Agreement are conditional upon:

- (i) the Share Consolidation and the Increase in Authorised Share Capital having become effective;
- (ii) the granting by the Listing Division of the Stock Exchange of the listing of, and permission to deal in, the Placing Shares;
- (iii) the Specific Mandate being obtained at the SGM;
- (iv) the Company obtaining all necessary written consents and approvals (if any) from the relevant authorities in respect of the transactions contemplated under the Placing Agreement, if applicable; and
- (v) all the representations and warranties given by the Company under the Placing Agreement remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of the Placing Agreement and Completion.

If the conditions precedent to the Placing have not been fulfilled prior to 4:00 p.m. on the Long Stop Date, all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the parties thereto shall have any claim against the other in relation thereto (save in respect of any antecedent breach of any obligation under the Placing Agreement).

## **Specific Mandate to issue the Placing Shares**

The Placing Shares proposed to be issued under the Placing Agreement will be issued pursuant to the Specific Mandate to be obtained at the SGM.

## **Termination and force majeure of the Placing**

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (i) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or

- (ii) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (iii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (iv) any statement contained in all announcements and circulars issued by the Company to the Stock Exchange and/or the Shareholders since the publication of the announcement of the Company relating to the interim results of the Company for the six months ended 31 October 2014 has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

Upon termination of the Placing Agreement pursuant to the above force majeure clause contained therein, all liabilities of the Company and the Placing Agent thereunder shall cease and determine and neither of them shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

To the best knowledge of the Directors, the Directors are not aware of the occurrence of any of such events as at the date of this announcement.

### **Completion of the Placing**

Completion will take place at 10:00 a.m. in Hong Kong within five Business Days after the fulfillment of all conditions precedent as set out in the Placing Agreement or such other date as may be agreed between the Company and the Placing Agent in writing.

### **Listing Application**

An application will be made by the Company to the Listing Division of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

**Completion of the Placing is subject to the fulfillment of the conditions precedent as set out in the Placing Agreement. As the Placing may or may not proceed and is subject to Shareholders' approval, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or the Consolidated Shares.**

## Reasons for the Placing and the Use of Proceeds

The Group is principally engaged in the provision of scaffolding and fitting out services, management contracting services, and other services for construction and buildings work.

The gross proceeds from the Placing will be HK\$162.00 million. The estimated net proceeds from the Placing (after deducting the related placing commission, professional fees and all other related expenses incurred in connection with the Placing which will be borne by the Company) are expected to be approximately HK\$159.76 million which will be applied in the following manner:

- (i) approximately HK\$30.00 million for repayment of bank loans and other loans;
- (ii) approximately HK\$33.00 million for repayment of the Convertible Bonds and the payment of interest accrued thereon;
- (iii) approximately HK\$30.00 million for financing the development of the money lending business;
- (iv) approximately HK\$25.00 million for purchase of factory unit for warehouse storage purpose;
- (v) approximately HK\$17.00 million for expansion of design and fitting out services of the Group; and
- (vi) the remaining balance of approximately HK\$24.76 million for general working capital of the Group.

As disclosed in the interim report of the Company for the six months ended 31 October 2014 (“**2014 Interim Report**”), as at 31 October 2014, the Group had (i) outstanding bank loans of approximately HK\$36.58 million which will be due within one year; (ii) bank overdrafts of approximately HK\$11.14 million; (iii) Convertible Bonds with outstanding principal amount of HK\$30.00 million; and (iv) other unsecured loans of approximately HK\$9.98 million. As at 31 October 2014, cash and bank balances of the Group was approximately HK\$31.79 million (of which HK\$16.00 million has already been utilised subsequent to 31 October 2014 for the subscription of the shares of AP Assets Limited, further details of which are disclosed in the announcement of the Company dated 19 November 2014).

As further disclosed in the 2014 Interim Report, finance costs in relation to debt financing of the Group for the six months ended 31 October 2014 amounted to approximately HK\$2.63 million which exceeded finance costs of the Group for the year ended 30 April 2014 of approximately HK\$2.10 million. The significant increase in the finance cost was mainly due to the interest on the Convertible Bonds and bank loans.

Given the tight cash position of the Group, approximately HK\$30.00 million from the Placing will be used to repay the bank loans and other loans in order to reduce the indebtedness of the Group.

On 28 August 2014, the Company issued the Convertible Bonds (which will mature in August 2015) in the aggregate principal amount of HK\$30.00 million which bears interest at a rate of 10% per annum. Interest of the Convertible Bonds is payable semi-annually in arrears. The Convertible Bonds are convertible into Shares at a prevailing conversion price at HK\$0.40 per Share. Up to the date of this announcement, none of the conversion rights attached to the Convertible Bonds have been exercised. Assuming the Convertible Bonds will be not converted into Shares on or before its maturity date, the total amount of interest payable on the outstanding principal amount of the Convertible Bonds will be HK\$3.00 million. A summary of the principal terms of the Convertible Bonds are set out in the Company's circular dated 4 August 2014.

In view that the prevailing conversion price of the Convertible Bonds of HK\$0.40 each per Share is well above the prevailing market price of the Shares, the Board considers that there is little incentive for the holder of the Convertible Bonds to exercise its conversion rights under the Convertible Bonds. Given the prospective maturity of the Convertible Bonds in August 2015, the Company estimates that it is highly likely that HK\$33.00 million will be required for the repayment of the Convertible Bonds and related accrued interest.

In November 2014, Gold Medal Hong Kong Limited, an indirect wholly-owned subsidiary of the Company, has been granted the money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). Whilst the Group remains focused on developing its existing businesses, the Directors consider that it is beneficial for the Company to seek suitable investment opportunities from time to time to expand its existing business portfolio and engage in a new line of business with growth potential with a view to broadening its source of income. The Directors are of the view that engaging in the money lending business can diversify the revenue stream of the Group which is expected to benefit the Group and the Shareholders as a whole.

Money lending business generally requires readily available financial resources. The repayment period of the loan may vary and can be short or long depending on the terms of the loan agreements. In this regard, the Directors consider that applying approximately HK\$30.00 million from the Placing to ensure the Group will have sufficient financial resources for provision of loans to customers will enhance the development of the Group's money lending business and financial strength.

As mentioned in the annual report of the Company for the year ended 30 April 2014 (“**2014 Annual Report**”), the Group, with the deployment of newly invented “Pik-Lik” scaffolding system, is confident in the prospects of the scaffolding industry. “Pik-Lik” saves up to 75% manpower compared with traditional systems and is able to ease manpower shortage problem. The Group will further promote the usage of “Pik-Lik” to improve operational efficiency. The Group will further expand business segments with higher profit margin such as gondolas, parapet railings and access equipment installation and maintenance service segment. In addition, the Group will strengthen the logistics, warehouse and other back-up services to enhance overall profitability. In view of the Group's business plan and development of its core businesses, the Group intends to purchase factory unit for warehouse storage purpose. It is expected that the purchase of factory unit would cost approximately HK\$25.00 million.

In addition, as stated in the 2014 Interim Report, the Group also established a new 51% owned subsidiary, Sense Key Design Holdings Limited (“**Sense Key**”), for providing interior design services to residential properties in Hong Kong. Sense Key is expected to contribute additional revenue and further improve the operating results of the fitting out division in the future. In order to pursue further expansion for the design and fitting out services, the Group anticipates that approximately HK\$17.00 million will be required to (i) enhance customer awareness by means of advertisements and exhibitions; (ii) enhance the Group's design capacity and office efficiency by providing training program to staffs and recruiting professional staffs; and (iii) expand the Group's office in Hong Kong through acquisition of new showrooms or workshops.

As disclosed in the 2014 Interim Report, the total operating and administration expenses for the six months ended 31 October 2014 was approximately HK\$11.00 million with the arithmetical monthly average of operational expenditure of approximately HK\$1.83 million. The Company considers that it will be a merit for the Group to have additional working capital for its business operation and development. As such, approximately HK\$24.76 million from the Placing will be applied for general working capital of the Group for payment of operational outgoings (such as payroll costs, payment to sub-contractors and suppliers, other administrative expenses and professional fees).



The Directors consider that the Placing represents a good opportunity for the Company to raise necessary fund for the Company for future use without having to resort to borrowing from financial institutions which will result in finance costs to the Group. The issue of new Placing Shares under the Placing will broaden the capital base and Shareholders' base of the Company. In addition, the Placing can also improve the gearing ratio and strengthen the financial position of the Group. Accordingly, the Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

Notwithstanding that the Placing may have a substantial dilution effect on the existing shareholdings, the Directors believe that the long-term benefits arising from the net proceeds of the Placing for the overall development of the Group will increase the value of the Consolidated Shares in the long run.

Apart from the Placing, the Directors have considered alternative financing means, such as debt financing, rights issue or open offer. However, in view of the amount required for the implementation of the above business plans and the intended uses, debt financing will result in additional interest burden, significant increase in gearing ratio of the Group and subject the Group to repayment obligations. Rights issue and open offer are less effective in terms of time and cost and securing underwriter(s) for a rights issue and/or an open offer exercise would also be difficult. Accordingly, the Directors decided to conduct the Placing on a best effort basis which allows the Company to secure the Placing Agent more easily and the documentation involved in the Placing is less complicated and thus the Placing can be completed within a short period of time subject to Shareholders' approval. Since the Placing is subject to Shareholders' approval, which means that the Shareholders can have a right to disapprove the Placing. In view of the above, the Board considers that raising funds by way of the Placing to be a preferred financing means as compared with debt financing, rights issue or open offer.

## Equity fund raising activities of the Company in the past 12 months

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Event	Intended use of net proceeds	Actual use of proceeds as at the date of this announcement
21 October 2014 and 31 October 2014	Issue of 79,900,000 new shares under a general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 28 August 2014	The aggregate net proceeds of approximately HK\$13.99 million was intended to be used to finance the subscription of shares of AP Assets Limited	All of the net proceeds have been used as intended
27 June 2014, 28 July 2014, 20 August 2014 and 28 August 2014	Placing of Convertible Bonds in the aggregate principal amount of HK\$30,000,000 pursuant to the specific mandate granted to the Directors by the Shareholders at the extraordinary general meeting of the Company held on 20 August 2014	The aggregate net proceeds of approximately HK\$28.61 million was intended to be used as to (i) approximately HK\$17.36 million for the acquisition of 51% interest in Dragon Oriental Investment Limited; and (ii) approximately HK\$11.25 million as general working capital of the Group, out of which (a) approximately HK\$3.00 million would be allocated for repayment of bank overdraft of the Group; and (b) approximately HK\$8.25 million would be allocated for payment of operational outgoings (such as payroll costs, other administrative expenses and professional fees)	All of the net proceeds have been used as follows:  (i) approximately HK\$17.36 million had been used as intended;  (ii) approximately HK\$4.02 million had been applied for repayment of bank loans and bank overdraft of the Group; and  (iii) approximately HK\$7.23 million had been applied as general working capital of the Group

Date of announcement	Event	Intended use of net proceeds	Actual use of proceeds as at the date of this announcement
12 January 2014 and 29 January 2014	Placing of 223,950,000 new shares under a general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 29 August 2013	The aggregate net proceeds of approximately HK\$23.06 million, was intended to be applied as general working capital of the Group	<p>All of the net proceeds have been used as follows:</p> <ul style="list-style-type: none"> <li data-bbox="1158 417 1437 853">(i) approximately HK\$15.00 million had been applied for repayment of bank overdraft of Wui Loong Scaffolding Works Company Limited (“Wui Loong”), a wholly-owned subsidiary of the Company;</li> <li data-bbox="1158 917 1437 1353">(ii) approximately HK\$0.5 million had been applied for the repayment of bank overdraft of Wui Luen Engineering Company Limited, a wholly-owned subsidiary of the Company; and</li> <li data-bbox="1158 1417 1437 1627">(iii) approximately HK\$7.56 million had been applied as general working capital of Wui Loong</li> </ul>

## Effects on the shareholding structure

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of the announcement; (ii) immediately after the Share Consolidation but before the Completion (assuming there is no other change in the shareholding structure before the Share Consolidation becoming effective); and (iii) immediately after the Share Consolidation and the Completion (assuming the Placing Shares are placed in full and there is no other change in the shareholding structure of the Company before the issue of the Placing Shares) are set out below.

Shareholders	As at the date of the announcement		Immediately after the Share Consolidation but before the Completion		Immediately after the Share Consolidation and the Completion	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Consolidated Shares</i>	<i>Approximate %</i>	<i>No. of Consolidated Shares</i>	<i>Approximate %</i>
<b>Directors:</b>						
Dr. So Yu Shing	2,075,000	0.43%	415,000	0.43%	415,000	0.07%
Mr. Kong Kam Wang	2,761,250	0.58%	552,250	0.58%	552,250	0.09%
Ms. Lai Yuen Mei, Rebecca	2,075,000	0.43%	415,000	0.43%	415,000	0.07%
Mr. So Wang Chun, Edmond	500,000	0.10%	100,000	0.10%	100,000	0.02%
Mr. Ng Tang	3,460,000	0.72%	692,000	0.72%	692,000	0.11%
Mr. Lam Kwok Wing	500,000	0.10%	100,000	0.10%	100,000	0.02%
Placees	-	-	-	-	540,000,000	84.92%
Other public shareholders	468,066,923	97.63%	93,613,384	97.63%	93,613,384	14.72%
<b>Total:</b>	<u>479,438,173</u>	<u>100.00%</u>	<u>95,887,634</u>	<u>100.00%</u>	<u>635,887,634</u>	<u>100.00%</u>

*Note:* Percentage may not add up to 100 per cent due to rounding.

#### **(IV) GENERAL**

The Share Consolidation, the Increase in Authorised Share Capital and the Specific Mandate are subject to the Shareholders' approval at the SGM.

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Share Consolidation, the Increase in Authorised Share Capital and the Placing Agreement (including the grant of the Specific Mandate). In compliance with the GEM Listing Rules, all resolutions will be voted on by way of a poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on any of the resolutions to be proposed at the SGM.

The Circular containing, among other things, (i) further details of the Share Consolidation; (ii) particulars of the Increase in Authorised Share Capital; (iii) further details of the Placing; and (iv) a notice convening the SGM and the related form of proxy, will be despatched to the Shareholders on or before 10 February 2015.

**Completion of the Placing is subject to the fulfillment of conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and/or the Consolidated Shares.**

#### **(V) DEFINITIONS**

In this announcement, the following terms shall have the meanings respectively set opposite them unless the context requires otherwise:

“acting in concert”	has the meaning as ascribed to it in the Code on Takeovers and Mergers of Hong Kong
“associate”	has the meaning as ascribed to it under the GEM Listing Rules
“Board”	the board of Directors

“Business Day”	any day (not being a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company to be despatched to the Shareholders on or before 10 February 2015 to provide, among other things, further details regarding the Share Consolidation, the Increase in Authorised Share Capital and the Placing
“Company”	WLS Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued Shares of which are listed on GEM
“Completion”	completion of the Placing in accordance with the Placing Agreement
“Completion Date”	the date of Completion
“connected person”	has the meaning as ascribed to it under the GEM Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Convertible Bonds”	the convertible bonds due 2015 in the aggregate principal amount of HK\$30,000,000 issued by the Company on 28 August 2014
“Director(s)”	the director(s) of the Company

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$100,000,000 divided into 500,000,000 Consolidated Shares to HK\$400,000,000 divided into 2,000,000,000 Consolidated Shares by the creation of an additional 1,500,000,000 Consolidated Shares
“Last Trading Date”	21 January 2015, being the date of the Placing Agreement which is a business day
“Long Stop Date”	the day falling 30 days after the date of the SGM
“Option(s)”	share option(s) granted under the share option schemes of the Company
“Placee(s)”	any individuals, corporate, institutional investors or other investors procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the proposed placing of a maximum of 540,000,000 Consolidated Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Tanrich Securities Company Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the conditional placing agreement dated 21 January 2015 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.30 per Placing Share under the Placing Agreement
“Placing Share(s)”	a maximum of 540,000,000 new Consolidated Shares to be allotted and issued pursuant to the Placing Agreement and each, a “Placing Share”
“PRC”	the People’s Republic of China
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation, the Increase in Authorised Share Capital and the Placing Agreement (including the grant of the Specific Mandate)
“Share(s)”	the ordinary share(s) of HK\$0.04 each in the share capital of the Company as at the date of this announcement and prior to the Share Consolidation becoming effective
“Share Consolidation”	the proposed consolidation of every five (5) issued and unissued Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of the Shares and/or the Consolidated Shares, as the case may be
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the SGM to grant the authority to the Board for the allotment and issue of up to 540,000,000 Placing Shares



“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

On behalf of the Board  
**WLS Holdings Limited**  
**So Yu Shing**  
Chairman

Hong Kong, 21 January 2015

*As at the date of this announcement, the Board comprises Dr. So Yu Shing (Chairman and Executive Director), Mr. Kong Kam Wang (Executive Director and Chief Executive Officer), Ms. Lai Yuen Mei, Rebecca (Executive Director), Mr. So Wang Chun, Edmond (Executive Director), Mr. Ng Tang (Executive Director), Mr. Yuen Chun Fai (Executive Director), Mr. Lam Kwok Wing (Independent Non-executive Director), Mr. Law Man Sang (Independent Non-executive Director) and Dr. Fung Ka Shuen (Independent Non-executive Director).*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of GEM website and on the website of the Company at [www.wls.com.hk](http://www.wls.com.hk) for at least 7 days from the date of its posting.*