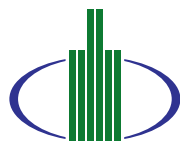


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WLS Holdings Limited

滙隆控股有限公司*

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

(Stock Code: 8021)

PROPOSED CAPITAL REORGANISATION AND BONUS ISSUE OF SHARES

(I) PROPOSED CAPITAL REORGANISATION

The Board proposes to effect the Capital Reorganisation which involves the Capital Reduction and the Share Subdivision as set out below:

- (a) the issued share capital of the Company will be reduced through a cancellation of the paid up capital to the extent of HK\$0.19 on each of the issued Shares such that the nominal value of each issued Share will be reduced from HK\$0.20 to HK\$0.01;
- (b) immediately following the Capital Reduction, each of the authorised but unissued Shares of HK\$0.20 each be subdivided into twenty (20) New Shares of HK\$0.01 each; and
- (c) the credits arising in the books of the Company from the Capital Reduction of approximately HK\$120,819,000 will be credited to the contributed surplus account of the Company within the meaning of the Companies Act.

Shareholders and potential investors should note that the credits arising in the books of the Company from the Capital Reorganisation will be subject to change depending on the number of Shares in issue immediately prior to the Capital Reorganisation becoming effective.

The New Shares will remain to be traded in board lot of 10,000 New Shares after the Capital Reorganisation having become effective.

* *for identification purposes only*

(II) PROPOSED BONUS ISSUE

Subject to the Capital Reorganisation becoming effective, the Board proposes a Bonus Issue of New Shares on the basis of seven (7) Bonus Shares for every one (1) New Share held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date.

The Bonus Shares will be credited as fully paid at par value by way of capitalisation of an amount equal to the total par value of the Bonus Shares (i.e. HK\$44,512,134.38) standing to the credit of the contributed surplus account of the Company within the meaning of the Companies Act. The Bonus Shares, upon issue, will rank pari passu in all respects with the then New Shares.

WARNING

Shareholders and potential investors should take note that the Capital Reorganisation and the Bonus Issue are conditional upon satisfaction of conditions set out in the paragraphs headed “Conditions of the Capital Reorganisation” and “Conditions of the Bonus Issue”. Therefore, the Capital Reorganisation and the Bonus Issue may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in existing Shares, and if they are in any doubt about their position, they should consult their professional advisers.

SGM

The SGM is proposed to be convened and held for the Shareholders to consider, and if thought fit, to approve the Capital Reorganisation and the Bonus Issue. 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 the resolutions to be proposed at the SGM. A circular containing, amongst other things, further information on, the Capital Reorganisation and the Bonus Issue, together with the notice convening the SGM, will be despatched to the Shareholders on or before 26 May 2015.

(I) PROPOSED CAPITAL REORGANISATION

The Board proposes to effect the Capital Reorganisation which involves the Capital Reduction and the Share Subdivision.

As at the date of this announcement, the authorized share capital of the Company is HK\$400,000,000 divided into 2,000,000,000 Shares of HK\$0.20 each, of which 635,887,634 Shares are allotted and issued as fully paid or credited as fully paid. On such basis, the Capital Reorganisation will involve the following steps:

Proposed Capital Reduction and Share Subdivision

- (a) The issued share capital of the Company will be reduced through a cancellation of the paid up capital to the extent of HK\$0.19 on each of the issued Shares such that the nominal value of each issued Share will be reduced from HK\$0.20 to HK\$0.01;
- (b) immediately following the Capital Reduction, each of the authorised but unissued Shares of HK\$0.20 each be subdivided into twenty (20) New Shares of HK\$0.01 each; and
- (c) the credits arising in the books of the Company from the Capital Reduction of approximately HK\$120,819,000 will be credited to the contributed surplus account of the Company within the meaning of the Companies Act.

Immediately following the Capital Reorganisation, the authorised share capital of the Company will be HK\$400,000,000 divided into 40,000,000,000 New Shares of HK\$0.01 each, of which 635,887,634 New Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will be HK\$6,358,876.34, assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to the effective date of the Capital Reorganisation.

A credit of approximately HK\$120,819,000 will arise as a result of the Capital Reduction. Such credit will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act which will then be applied by the Board to set off against the accumulated losses of the Company in full on the date of the Capital Reorganisation becoming effective. The total accumulated losses of the Company was approximately HK\$61,679,000 as shown in the audited consolidated financial statements of the Company as at 30 April 2014.

Shareholders and potential investors should note that the credits arising in the books of the Company from the Capital Reorganisation will be subject to change depending on the number of Shares in issue immediately prior to the Capital Reorganisation becoming effective.

Assuming that there are no other changes in the issued share capital of the Company from the date of this announcement and until the effective date of the Capital Reorganisation, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately after the Capital Reorganisation becoming effective
Par Value	HK\$0.20 per Share	HK\$0.01 per New Share
Amount of authorised share capital	HK\$400,000,000	HK\$400,000,000
Number of authorised shares	2,000,000,000	40,000,000,000
Amount of issued share capital	HK\$127,177,526.80	HK\$6,358,876.34
Number of issued shares	635,887,634	635,887,634

All New Shares will rank pari passu in all respects with each other.

Under the laws of Bermuda, the Directors may apply the contributed surplus in any manner permitted by the laws of Bermuda and the Bye-laws of the Company.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional on:

- (a) the passing of necessary special resolution(s) by the Shareholders to approve the Capital Reorganisation at the SGM;
- (b) the Listing Division of the Stock Exchange granting the listing of, and the permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued upon exercise of the share options granted and to be granted under the share option schemes of the Company;
- (c) the compliance with the relevant procedures and the requirements under the laws of Bermuda and the GEM Listing Rules to effect the Capital Reorganisation; and
- (d) the obtaining of all necessary approvals from the regulated authorities or otherwise as may be required in respect of the Capital Reorganisation.

Reasons for the Capital Reorganisation

The main purpose for implementing the Capital Reorganisation is to (i) apply the credits arising from the Capital Reduction to offset the total accumulated losses of the Company as at the effective date of the Capital Reorganisation in full; (ii) give greater flexibility to the Company to raise funds through the issue of new shares in the future; and (iii) provide the Company with a wider capital base and therefore enhance the liquidity of the Shares.

The Directors are of the view that the proposed Capital Reorganisation will not have a material adverse effect on the financial position of the Group, except for those expenses to be incurred in relation to the Capital Reorganisation. The Capital Reorganisation will also have no effect on the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders in the Company. Therefore, the Directors consider that the proposed Capital Reorganisation are in the interests of the Company and the Shareholders as a whole.

Listing and dealings

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued upon exercise of the share options granted and to be granted under the share option schemes of the Company.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the New 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 New 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The New Shares will be identical in all respects and rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, Shareholders may, on or after Friday, 19 June 2015 until Monday, 20 July 2015 (both days inclusive), submit share certificates for the existing Shares to the Company's branch share registrar and transfer office 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 New Shares.

Thereafter, certificates of existing 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 existing Shares submitted for cancellation or each new share certificate issued for the New Shares, whichever the number of certificates cancelled/issued is higher. After 4:30 p.m. on Monday, 20 July 2015, existing share certificates for the existing Shares will only remain effective as documents of title and may be exchanged for certificates for New Shares at any time but will not be accepted for delivery, trading and settlement purposes.

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

No change in board lot size

At present, the existing Shares are traded in board lots of 10,000. Upon the Capital Reorganisation becoming effective, the board lot size for trading of the New Shares will remain unchanged at 10,000.

The estimated market value per board lot of the New Shares will be HK\$22,600 (based on the closing price of HK\$2.26 per New Share assuming the Capital Reorganisation had become effective on the date of this announcement).

(II) PROPOSED BONUS ISSUE

Subject to the Capital Reorganisation becoming effective, the Board proposes a Bonus Issue of New Shares on the basis of seven (7) Bonus Shares for every one (1) New Share held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date.

The Bonus Shares will be credited as fully paid at par value by way of capitalisation of an amount equal to the total par value of the Bonus Shares (i.e. HK\$44,512,134.38) standing to the credit of the contributed surplus account of the Company within the meaning of the Companies Act. The Bonus Shares, upon issue, will rank pari passu in all respects with the then New Shares.

Basis of the Bonus Issue

Subject to the Capital Reorganisation becoming effective and the conditions set out under the heading “Conditions of the Bonus Issue” below, the Bonus Shares will be issued and credited as fully paid at par on the basis of seven (7) Bonus Shares for every one (1) New Share held on the Record Date by the Qualifying Shareholders. On the basis of 635,887,634 New Shares after the Capital Reorganisation becoming effective, and assuming no further New Shares will be issued or repurchased prior to the Record Date, it is anticipated that 4,451,213,438 Bonus Shares will be issued under the Bonus Issue. The Bonus Shares will be credited as fully paid at par by way of capitalisation of an amount equal to the total par value of the Bonus Shares standing to the credit of the contributed surplus account of the Company within the meaning of the Companies Act. Immediately after completion of the Capital Reorganisation and the Bonus Issue, there will be a total of 5,087,101,072 New Shares in issue in the issued share capital of the Company as enlarged by the issue of the Bonus Shares.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (a) the Capital Reorganisation becoming effective;
- (b) the passing of an ordinary resolution(s) by the Shareholders to approve the Bonus Issue at the SGM;
- (c) the Listing Division of the Stock Exchange granting the listing of, and the permission to deal in, the Bonus Shares upon the Bonus Issue becoming effective; and
- (d) the compliance with the relevant procedures and the requirements under the laws of Bermuda and the GEM Listing Rules to effect the Bonus Issue.

Record Date and closure of register of members

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangement for the Non-Qualifying Shareholders are further elaborated below under the paragraph headed “Overseas Shareholders”.

The register of members of the Company will be closed from Thursday, 25 June 2015, to Friday, 26 June 2015 (both days inclusive), during which no transfer of the New Shares will be effected, in order to ascertain and determine the entitlement of the Shareholders under the Bonus Issue.

Shareholders are reminded that in order to qualify for the Bonus Issue, they must ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 24 June 2015.

Overseas Shareholders

Overseas Shareholders will not be allotted the Bonus Shares if the Directors consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro rata to their respective shareholdings and remittances will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

Certificates for the Bonus Shares

It is expected that certificates for the Bonus Shares will be despatched on Friday, 3 July 2015 after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Record Date. Dealings in the Bonus Shares is expected to commence at 9:00 a.m. on Monday, 6 July 2015.

REASONS FOR THE BONUS ISSUE

As a gesture of gratitude to the Shareholders for their loyalty to and support of the Company, the Board has decided to propose the Bonus Issue for Shareholders' approval. The Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby enlarging the shareholders' base of the Company.

APPLICATION TO THE STOCK EXCHANGE

An application will be made to the Stock Exchange for the listing of and permission to deal in the New Shares arising from the Capital Reorganisation and the Bonus Issue.

Expected timetable (all times refer to Hong Kong local time)

The expected timetable for the Capital Reorganisation and the Bonus Issue is set out below:

Despatch of the circular to the Shareholders relating to
the Capital Reorganisation and the Bonus Issue, and containing,
among others, notice of SGM and the proxy form of the SGM on or before Tuesday,
26 May 2015

Latest time for lodging transfer of shares for registration
in order to qualify for attending the SGM 4:30 p.m. on Monday,
15 June 2015

Closure of register of members for registration of transfer
of the Shares to determine Shareholders'
entitlement to attend the SGM Tuesday, 16 June 2015 to
Thursday, 18 June 2015
(both days inclusive)

Latest time for lodging forms of proxy for the SGM
(in any event not less than 48 hours before
the time of the SGM or any adjournment thereof) 11:30 a.m. on Tuesday,
16 June 2015

Record date for attending the SGM Thursday, 18 June 2015

Expected time and date of the SGM 11:30 a.m. on Thursday,
18 June 2015

Announcement of poll results of the SGM Thursday, 18 June 2015

The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation and the Bonus Issue

Expected effective date of Capital Reorganisation Friday, 19 June 2015

First day of free exchange of Company's share certificates for new share certificates	Friday, 19 June 2015
Last day of dealings in Shares on a cum-entitlement basis	Monday, 22 June 2015
First day of dealing in Shares on an ex-entitlement basis	Tuesday, 23 June 2015
Latest time for lodging transfer of Shares for registration in order to qualify for the Bonus Shares	4:30 p.m. on Wednesday, 24 June 2015
Closure of register of members for registration of transfer of the New Shares to determine Shareholders' entitlement to the Bonus Shares	Thursday, 25 June 2015 to Friday, 26 June 2015 (both days inclusive)
Record Date for determining entitlement to the Bonus Shares	Friday, 26 June 2015
Re-open of register of members of the Company	Monday, 29 June 2015
Despatch of share certificates for the Bonus Shares	on or before Friday, 3 July 2015
First date of dealing in the Bonus Shares on the Stock Exchange	9:00 a.m. on Monday, 6 July 2015
Last day of free exchange of Company's share certificates for new share certificates	Monday, 20 July 2015

The expected timetable may be subject to change by the Company and is subject to fulfillment of all conditions. The Company will make further announcement(s) in compliance with the GEM Listing Rules if such changes are made.

WARNING

Shareholders and potential investors should take note that the Capital Reorganisation and the Bonus Issue are conditional upon satisfaction of conditions set out in the paragraphs headed "Conditions of the Capital Reorganisation" and "Conditions of the Bonus Issue". Therefore, the Capital Reorganisation and the Bonus Issue may or may

not proceed. Shareholders and potential investors are advised to exercise caution when dealing in existing Shares, and if they are in any doubt about their position, they should consult their professional advisers.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the date of this announcement, the Company has outstanding share options granted under the share option schemes of the Company, entitling the holders thereof to subscribe for up to aggregate of 4,289,000 Shares.

Adjustments to each of the existing share options may have to be made as a result of the Capital Reorganisation and the Bonus Issue becoming effective. 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 share options or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares or New Shares, as the case may be.

SGM

The SGM is proposed to be convened and held for the Shareholders to consider, and if thought fit, to approve the Capital Reorganisation and the Bonus Issue. 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 the resolutions to be proposed at the SGM. A circular containing, amongst other things, further information on, the Capital Reorganisation and the Bonus Issue, together with the notice convening the SGM, will be despatched to the Shareholders on or before 26 May 2015.

(III) DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Bonus Issue”	the proposed issue of Bonus Shares to the Qualifying Shareholder(s) on the basis of seven (7) Bonus Shares for every one (1) New Share held on the Record Date

“Bonus Share(s)”	New Shares to be allotted and issued under the Bonus Issue by the Company
“Bye-laws”	the bye-laws of the Company in force from time to time
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through the cancellation of the paid-up capital to the extent of HK\$0.19 on each of the issued Shares such that the nominal value of each issued Share will be reduced from HK\$0.20 to HK\$0.01
“Capital Reorganisation”	the proposed capital reorganisation of the Company involving the Capital Reduction and the Share Subdivision
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“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
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“New Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately after the proposed Capital Reorganisation becoming effective
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) who is/are excluded from the Bonus Issue and as defined and more particularly described in the section headed “Overseas Shareholders” in this announcement
“Qualifying Shareholder(s)”	the Shareholders whose names appear on the register of members of the Company on the Record Date and who are entitled to the Bonus Issue
“Record Date”	means 26 June 2015, being the record date for the purpose of determination of entitlement to the Bonus Issue of each Qualifying Shareholder
“SGM”	a special general meeting of the Company to be convened and held at 11:30 a.m. on Thursday, 18 June 2015 to consider and, if thought fit, approve the Capital Reorganisation and the Bonus Issue
“Share(s)”	ordinary share(s) of HK0.20 each in the share capital of the Company as at the date of this announcement and prior to the Capital Reorganisation becoming effective
“Shareholder(s)”	holder(s) of the Share(s) and/or the New Share(s) as the case may be
“Share Subdivision”	the proposed subdivision of each of the authorised but unissued Shares of HK\$0.20 each into twenty (20) New Shares of HK\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 15 May 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. Law Man Sang (Independent Non-executive Director), Mr. Chan Ngai Sang, Kenny (Independent Non-executive Director) and Mr. Ong Chi King (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 the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.wls.com.hk.