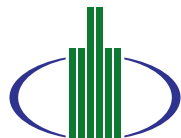


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WLS Holdings Limited

滙隆控股有限公司*

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

(Stock Code: 8021)

PROPOSED ISSUE OF NEW SHARES UNDER GENERAL MANDATE

THE SUBSCRIPTION

After the trading hours on 21 October 2014, the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 79,900,000 Subscription Shares at the Subscription Price of HK\$0.177 per Subscription Share.

SUBSCRIPTION SHARES

The 79,900,000 Subscription Shares to be allotted and issued under the Subscription represent (i) approximately 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion (other than as a result of the allotment and issue of the Subscription Shares on Completion)).

The Subscription Shares will be allotted and issued under the General Mandate, which has not been used since granted.

USE OF PROCEEDS

The aggregate gross proceeds of the Subscription will be HK\$14,142,300 and the aggregate net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$13,992,000, representing a net issue price of approximately HK\$0.175 per Subscription Share. It is intended that all of the net proceeds from the Subscription will be used to finance the Proposed Investment, failing which all of the net proceeds will be applied towards the general working capital of the Group and/or funding of future investment(s) when opportunities arise.

THE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that after trading hours on 21 October 2014, the Company and the Subscriber entered into the Subscription Agreement, major terms of which are described below.

Date

21 October 2014

Issuer

The Company

Subscriber

Eagle Gain Investments Limited

The Subscriber is a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of CIFG, the issued shares of which are listed on the Main Board of the Stock Exchange. The principal activity of each of CIFG and the Subscriber is investment holding.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owners is an Independent Third Party.

Subscription Shares

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares.

The 79,900,000 Subscription Shares (of an aggregate nominal value of HK\$3,196,000) to be allotted and issued under the Subscription represent (i) approximately 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion (other than as a result of the allotment and issue of the Subscription Shares on Completion)).

Subscription Price

The Subscription Price of HK\$0.177 per Subscription Share represents:

- (i) a premium of approximately 0.57% over the closing price of HK\$0.176 per Share as quoted on the Stock Exchange on 21 October 2014, being the date of the Subscription Agreement;
- (ii) a discount of approximately 4.94% to the average closing price of HK\$0.1862 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement; and

(iii) a discount of approximately 4.38% to the average closing price of HK\$0.1851 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Subscriber with reference to the recent trading prices of the Shares. The Directors consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price will be payable by the Subscriber in cash upon Completion.

Conditions Precedent

Completion of the Subscription shall be subject to the following conditions being satisfied:

- (a) the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares;
- (b) the compliance with the applicable requirements under the GEM Listing Rules, or as the case may be, the Listing Rules by the Company and CFIG;
- (c) all the representations, warranties and undertakings given by the Company in the Subscription Agreement remaining true, accurate and not misleading in all respects;
- (d) all necessary consents and approvals as may be required to be obtained on the part of the Company in respect of the Subscription and the transactions contemplated under the Subscription Agreement having been obtained by the Company;
- (e) there having been no material breach by the Company of the terms and conditions of the Subscription Agreement before the Completion Date; and
- (f) trading of the Shares on the GEM not being suspended for more than five consecutive trading days prior to the Completion Date (excluding any suspension in connection with the clearance of the announcement in relation to the Subscription (if any)).

The Subscriber has the right to waive all of the conditions specified above in part or in full, except for conditions specified in paragraphs (a) and (b) above and none of the conditions set out above are waivable by the Company.

If the conditions set out above have not been satisfied and/or waived (where applicable) (other than as a result of the default of the Company and/or, as the case may be, the Subscriber) at or before 5:00 p.m. on the Long Stop Date, the Subscription Agreement shall cease and determine (save and except for the provisions governing the confidentiality obligations and other miscellaneous provisions which shall continue to have full force and effect) and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms of the Subscription Agreement.

Completion Date

Completion shall take place on the fifth Business Day after the satisfaction of all the conditions precedent referred to above (or such other date as may be agreed by the Company and the Subscriber in writing).

Ranking

The Subscription Shares, when fully paid and allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

General Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued under the General Mandate which has not been used since it was granted. Therefore, the Subscription is not subject to additional approval by the Shareholders.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

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

The Board believes that the Subscription represents good opportunities to enhance its shareholders' base and raise additional funds at a reasonable cost for the Group.

The aggregate gross proceeds of the Subscription will be HK\$14,142,300 and the aggregate net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$13,992,000, representing a net issue price of approximately HK\$0.175 per Subscription Share. It is intended that all of the net proceeds from the Subscription will be used to finance the Proposed Investment, failing which all of the net proceeds will be applied towards the general working capital of the Group and/or funding of future investment(s) when opportunities arise.

The Directors are of the view that the Subscription Agreement is on normal commercial terms and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

Apart from the fund raising activity mentioned below, the Company has not carried out any fund raising exercises during the 12 months immediately preceding the date of this announcement.

| Date of announcement | Fund raising activity | Intended use of net proceeds | Actual use of the net proceeds as at the date of this announcement |
|---|--|--|---|
| 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). | (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. |
| 12 January 2014 and 29 January 2014 | Placing of 223,950,000 new shares of HK\$0.01 each (“ Pre-consolidated Shares ”) at HK\$0.108 per Pre-consolidated Share pursuant to the 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 | (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; (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 (iii) approximately HK\$7.56 million had been applied as general working capital of Wui Loong. |

EFFECTS ON SHAREHOLDING STRUCTURE

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately upon issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion (other than as a result of the allotment and issue of the Subscription Shares on Completion)):

| Shareholders (Note (1)) | As at the date of this announcement | | Immediately upon Completion | |
|----------------------------------|--|----------------------|--------------------------------|----------------------|
| | No. of Shares | Approximate% | No. of Shares | Approximate % |
| Directors: | | | | |
| Dr. So Yu Shing | 2,075,000 | 0.52 | 2,075,000 | 0.43 |
| Mr. Kong Kam Wang | 2,761,250 | 0.69 | 2,761,250 | 0.58 |
| Ms. Lai Yuen Mei, Rebecca | 2,075,000 | 0.52 | 2,075,000 | 0.43 |
| Mr. So Wang Chun, Edmond | 500,000 | 0.13 | 500,000 | 0.10 |
| Mr. Ng Tang | 3,460,000 | 0.87 | 3,460,000 | 0.72 |
| Mr. Yeung Po Chin | 500,000 | 0.13 | 500,000 | 0.10 |
| Mr. Lam Kwok Wing | 500,000 | 0.13 | 500,000 | 0.10 |
| The Subscriber | – | – | 79,900,000 (Note (2)) | 16.67 |
| Other public Shareholders | <u>387,666,923</u> | <u>97.03</u> | <u>387,666,923</u> | <u>80.86</u> |
| Total: | <u><u>399,538,173</u></u> | <u><u>100.00</u></u> | <u><u>479,438,173</u></u> | <u><u>100.00</u></u> |

Notes:

- (1) The number of existing Shares held by the Shareholders mentioned in the table above is based on the register of members of the Company and/or information as published on the website of the Stock Exchange as at 21 October 2014.
- (2) Immediately upon Completion, the Subscriber will become a substantial Shareholder (as defined under the GEM Listing Rules) of the Company.
- (3) The aggregate percentage may not add up to 100% due to rounding.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

| | |
|-----------------------|--|
| “Board” | the board of Directors |
| “Business Day” | a day (excluding 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 in Hong Kong are generally open for business throughout their normal business hours |
| “CIFG” | China Investment and Finance Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange |
| “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 Subscription |
| “Completion Date” | the day on which the Completion shall take place and such day shall fall on the fifth Business Day after the satisfaction of all the conditions precedent as set out in the Subscription Agreement (or such other date as may be agreed by the Company and the Subscriber in writing) |
| “connected person(s)” | has the meaning ascribed to it in the GEM Listing Rules |
| “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 Growth Enterprise Market of the Stock Exchange |
| “General Mandate” | the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 28 August 2014, among other things, to allot, issue and deal with up to 79,907,634 Shares, being 20% of the then issued share capital of the Company on 28 August 2014 |
| “Group” | the Company and its subsidiaries |

| | |
|---------------------------|---|
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party” | third party independent of the Company and the connected persons (as defined under the GEM Listing Rules) of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | 11 November 2014 (or such later date as the Company and the Subscriber may agree in writing) |
| “Proposed Investment” | the proposed subscription of 15% of the enlarged issued share capital of AP Assets Limited by the Group, details of which are disclosed in the announcement of the Company dated 9 October 2014 |
| “Share(s)” | ordinary share(s) of HK\$0.04 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscriber” | Eagle Gain Investments Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of CIFG |
| “Subscription” | the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement |
| “Subscription Agreement” | the subscription agreement dated 21 October 2014 entered into between the Company and the Subscriber in relation to the Subscription |
| “Subscription Price” | the subscription price of HK\$0.177 per Subscription Share |
| “Subscription Share(s)” | 79,900,000 new Shares to be allotted and issued under the Subscription Agreement to the Subscriber upon Completion |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

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

Hong Kong, 21 October 2014

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. Yeung Po Chin (Independent Non-executive Director), Mr. Lam Kwok Wing (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 the website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.wls.com.hk.

** For identification purposes only*