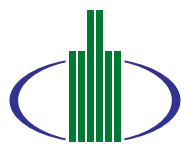


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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities in the Company.



WLS Holdings Limited

滙隆控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8021)

**MEMORANDUM OF UNDERSTANDING
IN RELATION TO POTENTIAL ACQUISITION**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Board of Directors announces that on 8 August 2011, Talent Gain International Limited, a wholly-owned subsidiary of the Company, entered into a non-legally binding MOU with the Vendor in relation to the Potential Acquisition.

The Potential Acquisition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Company's shares. Save for several legally-binding clauses, mainly relating to exclusivity and confidentiality, the terms set out in the MOU are not legally-binding. The final terms of the Formal Agreement are subject to further negotiations between the parties and have yet to be finalised, and may however deviate from those set out in the MOU.

Subject to the terms of the Formal Agreement, if the Potential Acquisition materialises, it is presently expected that the Potential Acquisition may constitute notifiable transactions for the Company under Chapter 19 of the GEM Listing Rules. Further detailed announcement(s) will be made by the Company in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate, when the Company signs the Formal Agreement or decides to terminate the MOU or when there is material development on the Potential Acquisition.

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprises Market of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") by WLS Holdings Limited (the "**Company**").

THE NON-LEGALLY BINDING MEMORANDUM OF UNDERSTANDING (“MOU”)

Parties

Purchaser : Talent Gain International Limited, a wholly-owned subsidiary of the Company

Vendor : Moen Resource Holding Limited

To the best of the directors of the Company’s (the “**Directors**”) knowledge, information and belief, having made all reasonable enquiries, the Vendor, the Target Company (as hereinafter defined) and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and the Directors, chief executive or substantial shareholders of the Company or any of their respective associates.

Date

8 August 2011

Assets to be acquired

The potential acquisition of 20% equity interest of 樺甸市豐泰油頁岩綜合開發有限公司 (Huadianshi Fengtai Youyeyan Company Limited) (the “**Target Company**”) (the “**Potential Acquisition**”).

As at the date of the MOU, the Vendor is undergoing an acquisition and reorganisation in respect of the Target Company (the “**Reorganisation**”). If the Vendor shall be able to acquire more than 20% shareholding of the Target Company, the Purchaser proposes to acquire 20% shareholding of the Target Company after the Reorganisation. The Vendor may consider selling more interests in the Target Company to the Purchaser depending on the stake in the Target Company which the Vendor may acquire.

Major terms of the MOU

Consideration

The consideration of the Potential Acquisition will be further discussed and determined after the due diligence to be performed by both parties.

Due diligence

Forthwith upon the signing of this MOU, both parties shall procure that its advisers and agents to conduct such due diligence review of the Target Company as each of them may consider appropriate. The due diligence exercise and completion of the formal sale and purchase agreement (the “**Formal Agreement**”) shall be completed as soon as practicable and in any event on or before 30 November 2011.

As a condition for entering into the Formal Agreement, prior to completion of the due diligence exercise to be conducted by the Purchaser, the Vendor shall procure and implement the Reorganisation. In this connection, the Purchaser shall use all reasonable endeavours to assist the Vendor in acquiring the said shareholding of the Target Company.

Exclusivity

Apart from the Target Company and the Vendor, the Purchaser undertakes not to carry out any discussion and/or negotiation regarding sale or acquisition of any other project and/or other companies within the 30-day period following the date of the MOU (the “**Exclusive Period**”). Both parties shall negotiate in good faith towards one another for entering into the Formal Agreement. Subject to mutual agreement of both parties, the Exclusive Period can be further extended.

INFORMATION ON THE TARGET COMPANY

The information below is provided by the Vendor.

The Target Company is incorporated in the People’s Republic of China (“**PRC**”) and its principal activities are mining resource exploration, mining and shale oil production in Jilin, PRC.

The Target Company owns a mining area of approximately 1 square kilometre in Jilin, PRC and the mining licence in respect of the Target Company will be valid until August 2029.

GENERAL

The Potential Acquisition may or may not proceed. Shareholders and investors are reminded to exercise caution when dealing in the Company’s shares. Save for several legally-binding clauses, mainly relating to exclusivity as aforesaid and confidentiality, the terms set out in the MOU are not legally-binding. The final terms of the Formal Agreement are subject to further negotiations between the parties and have yet to be finalised, and may however deviate from those set out in the MOU.

Subject to the terms of the Formal Agreement, if the Potential Acquisition materialises, it is presently expected that the Potential Acquisition may constitute notifiable transactions for the Company under Chapter 19 of the GEM Listing Rules. Further detailed announcement(s) will be made by the Company in accordance with all applicable requirements of the GEM Listing Rules as and when appropriate, when the Company signs the Formal Agreement or decides to terminate the MOU or when there is material development on the Potential Acquisition.

By order of the Board
WLS Holdings Limited
So Yu Shing
Chairman

Hong Kong, 8 August 2011

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. Woo Siu Lun (Executive Director), Mr. So Wang Bon, Edward (Executive Director), Mr. Yu Yeung Hoi, Stephen (Executive Director), Mr. Lam Kwok Wing (Independent Non-executive Director), Mr. Yeung Po Chin (Independent Non-executive Director), Dr. Fung Ka Shuen (Independent Non-executive Director), and Mr. Hui Tung Wah (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 enquiry, confirm that to the best of their knowledge and belief that 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 GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.wls.com.hk.

* For identification purposes only