

---

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

---

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in WLS Holdings Limited (“**Company**”), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

---



### WLS Holdings Limited

滙隆控股有限公司\*

(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8021)

### PROPOSED SHARE CONSOLIDATION; PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing Agent

**RHB OSK**  
RHB OSK Capital Hong Kong Limited

---

A notice convening an extraordinary general meeting of the Company to be held at Rooms 1001-1006, 10th Floor, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Aberdeen, Hong Kong on Wednesday, 20 August 2014 at 11:00 a.m. is set out on pages 20 to 22 of this circular. Whether or not you propose to attend the extraordinary general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same 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 as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting if you so wish, and in such case, the form of proxy previously submitted by such member(s) shall be deemed to be revoked.

This circular will remain on the “Latest Company Announcements” page of the website of the Growth Enterprise Market of the Stock Exchange at <http://www.hkgem.com> for a minimum period of seven days from the date of its posting and the website of the Company at [www.wls.com.hk](http://www.wls.com.hk).

\* For identification purposes only

---

## CHARACTERISTICS OF GEM

---

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

---

## CONTENT

---

|                                        | <i>Page</i> |
|----------------------------------------|-------------|
| <b>Expected timetable</b> . . . . .    | iii         |
| <b>Definitions</b> . . . . .           | 1           |
| <b>Letter from the Board</b> . . . . . | 4           |
| <b>Notice of EGM</b> . . . . .         | 20          |

---

## EXPECTED TIMETABLE

---

The expected timetable of the implementation of the Share Consolidation is set out below:

**2014**

Latest date and time for lodging forms of  
 proxy for the EGM ..... 11:00 a.m. on Monday, 18 August

Date and time of the EGM ..... 11:00 a.m. on Wednesday, 20 August

Announcement of voting results of the EGM ..... Wednesday, 20 August

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

**Effective date of the Share Consolidation ..... Thursday, 21 August**

First day of free exchange of existing share certificates  
 for new share certificates for the Consolidated Shares ..... Thursday, 21 August

Dealings in Consolidated Shares commence ..... 9:00 a.m. on Thursday, 21 August

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 Thursday, 21 August

Temporary counter for trading in the Consolidated Shares  
 in board lots of 2,500 Consolidated Shares (in the form  
 of existing share certificates) opens ..... 9:00 a.m. on Thursday, 21 August

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 Thursday, 4 September

Parallel trading in the Consolidated Shares  
 (in form of new share certificates and existing  
 share certificates) commences ..... 9:00 a.m. on Thursday, 4 September

Designated broker starts to stand in the market to  
 provide matching services for odd lots of the  
 Consolidated Shares ..... 9:00 a.m. on Thursday, 4 September

Temporary counter for trading in the Consolidated Shares  
 in board lots of 2,500 Consolidated Shares  
 (in the form of existing share certificates) ends ... 4:00 p.m. on Thursday, 25 September

---

## EXPECTED TIMETABLE

---

2014

Parallel trading in the Consolidated Shares

(in form of new share certificates and existing

share certificates) ends . . . . . 4:00 p.m. on Thursday, 25 September

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, 25 September

Last day for free exchange of existing share certificates

for new share certificates for the Consolidated Shares . . . . . Monday, 29 September

All dates and times set out in the timetable above refer to Hong Kong time.

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

|                         |                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board”                 | the board of Directors                                                                                                                                                                                                                                                                                                                                                       |
| “CCASS”                 | the Central Clearing and Settlement System established and operated by HKSCC                                                                                                                                                                                                                                                                                                 |
| “bondholder(s)”         | holder(s) of the Convertible Bonds                                                                                                                                                                                                                                                                                                                                           |
| “Company”               | WLS Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM                                                                                                                                                                                                                                   |
| “Completion Date”       | the date of completion of the subscription of the Convertible Bonds                                                                                                                                                                                                                                                                                                          |
| “connected person(s)”   | has the meaning ascribed to it under the GEM Listing Rules                                                                                                                                                                                                                                                                                                                   |
| “Consolidated Share(s)” | ordinary share(s) of HK\$0.04 each in the share capital of the Company after the Share Consolidation becoming effective                                                                                                                                                                                                                                                      |
| “Convertible Bonds”     | the convertible bonds in the aggregate principal amount of up to HK\$30,000,000 to be placed under the Placing                                                                                                                                                                                                                                                               |
| “Conversion Period”     | the period commencing from the date of issue of the Convertible Bonds up to 4:00 p.m. on the Maturity Date                                                                                                                                                                                                                                                                   |
| “Conversion Price”      | HK\$0.4 per Conversion Share, subject to adjustments, pursuant to the terms and conditions of the Convertible Bonds                                                                                                                                                                                                                                                          |
| “Conversion Shares”     | Consolidated Shares of the Company to be issued upon conversion of the Convertible Bonds                                                                                                                                                                                                                                                                                     |
| “Director(s)”           | director(s) of the Company                                                                                                                                                                                                                                                                                                                                                   |
| “EGM”                   | the extraordinary general meeting of the Company convened to be held at 11:00 a.m. on Wednesday, 20 August 2014 for the Shareholders to consider and, if thought fit, approve the Share Consolidation and the Placing Agreement (including the grant of the Specific Mandate), or any adjournment thereof, the notice of which is set out in pages 20 to 22 of this circular |

---

## DEFINITIONS

---

|                                |                                                                                                                                                                                                                                                                                                              |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “GEM”                          | the Growth Enterprise Market of the Stock Exchange                                                                                                                                                                                                                                                           |
| “GEM Listing Rules”            | the Rules Governing the Listing of Securities on GEM                                                                                                                                                                                                                                                         |
| “Group”                        | the Company and its subsidiaries                                                                                                                                                                                                                                                                             |
| “HKSCC”                        | Hong Kong Securities Clearing Company Limited                                                                                                                                                                                                                                                                |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                       |
| “Independent Third Party(ies)” | any person who himself is, and (in the case of corporate entity) its ultimate beneficial owners are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, third parties independent of the Company and its connected persons                               |
| “Latest Practicable Date”      | 30 July 2014, being the latest practicable date before the printing of this circular for the purpose of ascertaining certain information contained herein                                                                                                                                                    |
| “Maturity Date”                | the date falling on the day immediately before the first anniversary of the date of issue of the Convertible Bonds, or, if that is not a business day, the first business day thereafter                                                                                                                     |
| “Placee(s)”                    | the placee(s) to be procured by the Placing Agent under the Placing                                                                                                                                                                                                                                          |
| “Placing”                      | the placing of the Convertible Bonds pursuant to the Placing Agreement                                                                                                                                                                                                                                       |
| “Placing Agent”                | RHB OSK Securities Hong Kong Limited, a company incorporated in Hong Kong and a licensed corporation to carry out type 1 (dealing in securities) regulated activity and type 4 (advising on securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Placing Agreement”            | the placing agreement entered into between the Company and the Placing Agent dated 27 June 2014 in relation to the Placing (as amended and supplemented by the Supplemental Placing Agreement)                                                                                                               |
| “PRC”                          | the People’s Republic of China                                                                                                                                                                                                                                                                               |

---

## DEFINITIONS

---

|                                  |                                                                                                                                                                                                              |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Share(s)”                       | the ordinary share(s) of HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective                                                                                 |
| “Share Consolidation”            | the proposed consolidation of every four (4) issued and unissued Shares into one (1) Consolidated Share                                                                                                      |
| “Shareholder(s)”                 | holder(s) of the share(s) in the share capital of the Company                                                                                                                                                |
| “Specific Mandate”               | the special mandate to be sought at the EGM for the allotment and issue of the Conversion Shares                                                                                                             |
| “Stock Exchange”                 | The Stock Exchange of Hong Kong Limited                                                                                                                                                                      |
| “Supplemental Placing Agreement” | the supplemental agreement to the Placing Agreement entered into between the Company and the Placing Agent dated 28 July 2014, details of which are set out in the Company’s announcement dated 28 July 2014 |
| “HK\$”                           | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                          |
| “%”                              | per cent.                                                                                                                                                                                                    |



---

## LETTER FROM THE BOARD

---



### WLS Holdings Limited

滙隆控股有限公司\*

(incorporated in the Cayman Islands with limited liability)  
(Stock Code: 8021)

*Executive Directors:*

Dr. So Yu Shing (Chairman)  
Mr. Kong Kam Wang (Chief Executive Officer)  
Ms. Lai Yuen Mei, Rebecca  
Mr. Woo Siu Lun  
Mr. So Wang Chun, Edmond  
Mr. Ng Tang

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Independent non-executive Directors:*

Mr. Lam Kwok Wing  
Mr. Yeung Po Chin  
Dr. Fung Ka Shuen

*Head office and principal place of  
business in Hong Kong:*

Rooms 1001-1006  
10th Floor, Tower A  
Southmark  
11 Yip Hing Street  
Wong Chuk Hang  
Aberdeen  
Hong Kong

4 August 2014

*To the Shareholders*

Dear Sir/Madam

**PROPOSED SHARE CONSOLIDATION;  
AND  
PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 17 July 2014, of which the Company proposed to put forward to the Shareholders a proposal of Share Consolidation on the basis that every four (4) issued and unissued Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.04 each.

\* For identification purposes only

---

## LETTER FROM THE BOARD

---

Reference is also made to the announcements of the Company dated 27 June 2014 and 28 July 2014, in relation to the Placing, pursuant to which the Placing Agent has conditionally agreed to procure not less than six Placees for the subscription of the Convertible Bonds in the aggregate principal amount of HK\$30,000,000, failing which, it will subscribe for the Convertible Bonds.

The purpose of this circular, among other matters, is to provide you with the relevant information regarding resolutions to be proposed at the EGM relating to the Share Consolidation and the Placing, and to give you notice of the EGM.

### PROPOSED SHARE CONSOLIDATION

The Board proposed to implement the Share Consolidation on the basis that every four (4) issued and unissued Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.04 each.

### Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM; and
- (ii) the Listing Division of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

### Effect of the Share Consolidation

The share capital structure of the Company as at the Latest Practicable Date and immediately upon the Share Consolidation becoming effective on the basis that no further Shares will be allotted and issued prior thereto are as follows:

|                                                    | As at the Latest<br>Practicable Date | Immediately upon the<br>Share Consolidation<br>becoming effective |
|----------------------------------------------------|--------------------------------------|-------------------------------------------------------------------|
| Authorised share capital                           | HK\$100,000,000                      | HK\$100,000,000                                                   |
| Nominal value of each Share/<br>Consolidated Share | HK\$0.01 per Share                   | HK\$0.04 per<br>Consolidated Share                                |
| Number of authorised<br>Shares/Consolidated Shares | 10,000,000,000 Shares                | 2,500,000,000<br>Consolidated Shares                              |
| Number of issued Shares/<br>Consolidated Shares    | 1,584,312,693 Shares                 | 396,078,173<br>Consolidated Shares                                |

---

## LETTER FROM THE BOARD

---

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in accordance with the articles of association of the Company.

Other than the expenses, including professional fees and printing charges, 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 result in any change in the rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

### **Listing Approval**

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares. The Share Consolidation will be subject to Shareholders' approval at the EGM.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares in issue 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 on any 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 of the Consolidated Shares on the Stock Exchange. As a result, 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.

---

## LETTER FROM THE BOARD

---

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit 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**

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. Based on the closing price of HK\$0.073 per Share (equivalent to HK\$0.292 per Consolidated Share) as at the Latest Practicable Date, the value of each board lot of the Shares was HK\$730 and that the value of each board lot of the Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,920.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed One China Securities Limited 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 during the period between Thursday, 4 September 2014 to Thursday, 25 September 2014 (both days inclusive). Shareholders who wish to take advantage of this facility should contact Mr. Marco Ko of One China Securities Limited at 2/F, Cheong K. Building, 86 Des Voeux C., Central, Hong Kong at telephone number (852) 3188 9878 during office hours of such period. Shareholders should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in doubt about this facility are recommended to consult their professional advisers.

### **Free exchange of share certificates**

Should the Share Consolidation become effective, Shareholders may during the prescribed period submit existing share certificates (in yellow) for the 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 for exchange, at the expense of the Company, for new share certificates (in pink) for Consolidated Shares with new nominal value of HK\$0.04. It is expected that the new certificates for the Consolidated Shares will be available for collection within ten (10) business days after the submission of the existing share certificates to the Company's branch share registrar and transfer office for exchange. Thereafter, certificates for 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 allowed by the Stock Exchange) 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. Existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Thursday, 25

---

## LETTER FROM THE BOARD

---

September 2014 and thereafter will not be accepted for delivery, trading and settlement purposes. Nevertheless, certificates of existing Shares will continue to be good evidence of legal title and may be exchanged for certificates of Consolidated Shares at any time at the expense of the Shareholders.

### **Adjustment in relation to other securities**

As at the Latest Practicable Date, the Company had outstanding share options granted under the share option schemes of the Company which entitle holders thereof to subscribe for up to 109,320,000 Shares and the Company might grant share options to subscribe for 28,156,269 Shares under the existing 10% general limit of the share option scheme of the Company. 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 aforesaid and the Conversion Shares, the Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

### **THE PLACING AGREEMENT**

The principal terms of the Placing Agreement are set out below:

#### **Date**

27 June 2014 (date of the Placing Agreement) and 28 July 2014 (date of the Supplemental Placing Agreement)

#### **Parties**

Issuer : The Company

Placing Agent : RHB OSK Securities Hong Kong Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent will be entitled to receive a placing commission of 4% of the principal amount of the Convertible Bonds successfully placed or subscribed by the Placing Agent. Such rate was arrived at after arm's length negotiations between the Company and the Placing Agent.

#### **Subject matter of the Placing Agreement**

The Placing Agent has conditionally agreed to procure not less than six Placees who are Independent Third Parties for the subscription of the Convertible Bonds in the aggregate principal amount of HK\$30,000,000, failing which, it will subscribe for the Convertible Bonds.

---

## LETTER FROM THE BOARD

---

### Major terms of the Convertible Bonds

|                        |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer                 | : | The Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Total principal amount | : | HK\$30,000,000.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Issue price            | : | HK\$30,000,000, representing 100% of the principal amount of the Convertible Bonds.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Interest               | : | Subject as mentioned below, the Convertible Bonds bear interest from, and including, the issue date of the Convertible Bonds at 10% per annum and is payable semi-annually in arrears on the date which is six months after the date of issue of the Convertible Bonds and the Maturity Date.                                                                                                                                                                                                                                                                                                      |
| Maturity Date          | : | The date falling on the day immediately before the first anniversary of the date of issue of the Convertible Bonds, or, if that is not a business day, the first business day thereafter.                                                                                                                                                                                                                                                                                                                                                                                                          |
| Conversion rights      | : | The Bondholders will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares at the Conversion Price at any time during the Conversion Period. There are no restrictions on the conversion of the Convertible Bonds.                                                                                                                                                                                                                                                                                                                   |
| Conversion Shares      | : | Assuming the conversion rights attached to the Convertible Bonds are exercised in full at the initial Conversion Price of HK\$0.4 per Conversion Share, a maximum of 75,000,000 Conversion Shares will be allotted and issued, representing approximately 18.94% of the entire issued share capital of the Company (assuming the Share Consolidation has become effective as at the Latest Practicable Date) and approximately 15.92% of the entire issued share capital of the Company as enlarged by the issue of the Conversion Shares (assuming the Share Consolidation has become effective). |

Pursuant to the Placing Agreement and the instrument constituting the Convertible Bonds, there is no requirement and/or restriction on the Placees to dispose of the Conversion Shares.

---

## LETTER FROM THE BOARD

---

Conversion Price : HK\$0.4 per Conversion Share, subject to adjustments for the anti-dilution provisions as summarised in the paragraph headed “Anti-dilution adjustments” below.

The Conversion Price represents:

- (i) a premium of 25% over the theoretical closing price of HK\$0.32 per Share as quoted on the Stock Exchange on the date of the Placing Agreement and as adjusted taking into account the effect of the Share Consolidation;
- (ii) a premium of approximately 21.07% over the average theoretical closing price of HK\$0.3304 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of the Placing Agreement and as adjusted taking into account the effect of the Share Consolidation;
- (iii) a premium of approximately 18.06% over the average theoretical closing price of HK\$0.3388 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to the date of the Placing Agreement and as adjusted taking into account the effect of the Share Consolidation;
- (iv) a premium of approximately 70.07% over the net asset value of the Company as at 30 April 2014 of HK\$0.2352 per Share and as adjusted taking into account the effect of the Share Consolidation; and
- (v) a premium of approximately 36.99% over the theoretical closing price of HK\$0.292 as quoted on the Stock Exchange on the Latest Practicable Date and as adjusted taking into account the effect of the Share Consolidation.

The initial Conversion Price was determined after arm’s length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares (as adjusted taking into account the effect of the Share Consolidation).

---

## LETTER FROM THE BOARD

---

Redemption : Unless previously converted, the Company shall redeem the Convertible Bonds on the Maturity Date at the redemption amount which is 100% of the principal amount of the Convertible Bonds then outstanding together with outstanding interest accrued.

At any time during the Conversion Period, the Company may (without the consent of the Bondholders), by at least two weeks' prior written notice to the Bondholders, redeem the then entire outstanding amount of the Convertible Bonds at the redemption amount which is 100% of the principal amount of the Convertible Bonds then outstanding together with outstanding interest accrued.

Anti-dilution adjustments : The Conversion Price will be subject to adjustments upon the occurrence of the following events:

- (i) an alteration of the nominal amount of the shares of the Company by reason of any consolidation or sub-division;
- (ii) an issue (other than in lieu of a cash dividend) by the Company of shares of the Company credited as fully paid by way of capitalisation of profits or reserves (including any share premium account, contributed surplus and/or capital redemption reserve);
- (iii) a capital distribution being made by the Company, whether on a reduction of capital or otherwise, to the Shareholders in their capacity as such;
- (iv) an offer or grant being made by the Company to the Shareholders by way of rights or options or warrants to subscribe for new shares of the Company at a price which is less than 80% of the market price of the shares of the Company; and
- (v) an issue of or grant being made by the Company to the Shareholders by way of rights or options or warrants to subscribe for or purchase any securities other than shares of the Company or options, warrants or other rights to subscribe for or purchase any shares of the Company).

Save for the adjustment as set out above, the Conversion Price will not be subject to any other adjustments.



---

## LETTER FROM THE BOARD

---

- Lock-up period : Not applicable.  
for Conversion  
Shares and  
Convertible  
Bonds
- Transferability : The Convertible Bonds may be transferred by the Placees before the Maturity Date in whole amounts or multiples of units of principal amount of the Convertible Bonds of HK\$1,000,000 or, subject to the agreement by the Company in such other denomination, and any transfer of the Convertible Bonds to any connected person shall be subject to the requirements (if any) that the Stock Exchange may impose from time to time.
- Voting : The Bondholders will not be entitled to attend or vote at any meetings of the Company by reason only of its being a Bondholder.
- Listing : No application will be made for the listing of the Convertible Bonds. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares that may be allotted and issued upon conversion of the Convertible Bonds.
- Ranking of : The Conversion Shares will rank *pari passu* in all respects  
Conversion among themselves and with other shares of the Company in  
Shares issue on the date of which the names of their holders are registered upon the conversion of the Convertible Bonds.
- Events of : Bondholder may give notice to the Company that the  
Default Convertible Bonds are immediately due and repayable if:
- (i) a default is made in the payment of interest due on the Convertible Bonds when due and such default shall not have been cured by payment by the Company within 15 days after the due date; or
  - (ii) a default is made by the Company in the performance or observance of any covenant, condition or provision contained in the instrument constituting the Convertible Bonds or in the Convertible Bonds and on its part to be performed or observed (other than the covenant to pay the principal, premium (if any) and interest in respect of any of the Convertible Bonds) and such default continues for the period of 14 days next following the service by any Bondholder on the Company of notice specifying brief details of such default and requiring such default to be remedied; or

---

## LETTER FROM THE BOARD

---

- (iii) a material breach of any of the terms of the Placing Agreement by the Company, including a breach of any warranty therein which is not discovered until after the issue and delivery of the Convertible Bonds; or
- (iv) a resolution is passed or an order of a court of competent jurisdiction is made that the Company be wound up or dissolved; or
- (v) an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Company; or
- (vi) a distress, execution or seizure before judgment is levied or enforced upon or sued out against a material part of the assets or undertaking or property of the Company and is not discharged within seven days thereof; or
- (vii) the Company is unable to pay its debts as and when they fall due or the Company shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, winding up, reorganisation or insolvency law or make an assignment for the benefit of, or enter into any composition with, its creditors; or
- (viii) proceedings shall have been initiated against the Company under any applicable bankruptcy, winding up, reorganisation or insolvency law and such proceedings shall not have been discharged or stayed within a period of 21 days; or
- (ix) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (v) to (viii) (inclusive) above; or
- (x) if the shares of the Company are suspended by the Stock Exchange for a period of 90 consecutive trading days (other than any suspension of trading pending the release of any announcement as required under Chapter 19 or Chapter 20 of the GEM Listing Rules) or listing of the shares of the Company on the Stock Exchange are being revoked or withdrawn; or
- (xi) if there is not a sufficient number of authorised but unissued shares of the Company available for the fulfilment of the obligations regarding the conversion of the Convertible Bonds; or

---

## LETTER FROM THE BOARD

---

- (xii) it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under the Convertible Bonds or the instrument constituting the Convertible Bonds.

### **Conditions precedent to the completion of the issue of the Convertible Bonds**

The obligations of the parties under the Placing Agreement are conditional upon the following conditions being fulfilled (or, as to condition (c), the waiver in writing of such condition by the Placing Agent):

- (a) the Listing Division of the Stock Exchange granting approval of the listing of, and permission to deal in, all the shares of the Company falling to be issued on the exercise of the conversion rights to be attached to the Convertible Bonds;
- (b) the Specific Mandate being obtained at the EGM and the Share Consolidation having become effective; and
- (c) no event having occurred or occurring before the Completion Date which would constitute an Event of Default (as defined in the Convertible Bonds) had the Convertible Bonds been issued.

If the conditions specified above are not fulfilled (or as to condition (c) being waived in writing by the Placing Agent at or before 5:00 p.m. (Hong Kong time) on 10 September 2014 or such other date as may be agreed between the Company and the Placing Agent, the Placing Agreement shall forthwith cease and terminate and neither the Company nor the Placing Agent shall have any claim against each other, save for (i) any breach of undertaking to exercise best endeavors to procure the fulfilment of the conditions specified above; or (ii) claims against the Company for antecedent breach of its obligations under the Placing Agreement.

### **Completion of the issue of the Convertible Bonds**

Completion of the issue of the Convertible Bonds is scheduled to take place on the third business day after the date on which all the conditions precedent as described above have been fulfilled or waived (or such later date as the Placing Agent and the Company may agree in writing).

On the Completion Date, the Company shall issue to the Placees the Convertible Bonds and the Placing Agent shall make payment for the principal amount of the Convertible Bonds being placed or subscribed (subject to deduction for the commissions, fees and expenses payable by the Company).

---

## LETTER FROM THE BOARD

---

### Termination

The Placing Agent is entitled to terminate the Placing Agreement if at any time at or prior to 8:00 a.m. on the Completion Date:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic or market (including stock market) conditions or taxation or currency exchange or exchange controls as would be likely to be materially adverse to the success of the Placing; or
- (b) any breach of any of the representations and warranties set out in the Placing Agreement on the part of the Company comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect; or
- (c) there is any material adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing; or
- (d) any new law or regulation or any change or development involving a prospective change in existing laws and regulations in any relevant jurisdiction which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
- (e) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong or the PRC or the declaration by Hong Kong or the PRC of a national emergency or war; or
- (f) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Completion Date.

### MANDATE TO ISSUE THE CONVERSION SHARES

The Conversion Shares will be issued under the Specific Mandate to be sought at the EGM.

## LETTER FROM THE BOARD

### EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the issued share capital of the Company (other than the Share Consolidation) from the Latest Practicable Date and up to the date of full conversion of the Convertible Bonds at the initial Conversion Price (other than as a result of the allotment and issue of the Conversion Shares), the following table illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date (assuming the Share Consolidation has become effective); and (ii) immediately upon full conversion of the Convertible Bonds at the initial Conversion Price:

| Shareholders (Note)       | Shareholding as at the Latest Practicable Date |               | Shareholding immediately upon full conversion of the Convertible Bonds at the initial Conversion Price |               |
|---------------------------|------------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------|---------------|
|                           | No. of Consolidated Shares                     | approximate % | No. of Consolidated Shares                                                                             | approximate % |
| Dr. So Yu Shing           | 2,075,000                                      | 0.52          | 2,075,000                                                                                              | 0.44          |
| Mr. Kong Kam Wang         | 2,761,250                                      | 0.70          | 2,761,250                                                                                              | 0.59          |
| Ms. Lai Yuen Mei, Rebecca | 2,075,000                                      | 0.52          | 2,075,000                                                                                              | 0.44          |
| Mr. Woo Siu Lun           | 5,632,500                                      | 1.42          | 5,632,500                                                                                              | 1.20          |
| Mr. So Wang Chun, Edmond  | 500,000                                        | 0.13          | 500,000                                                                                                | 0.11          |
| Mr. Yeung Po Chin         | 500,000                                        | 0.13          | 500,000                                                                                                | 0.11          |
| Mr. Lam Kwok Wing         | 500,000                                        | 0.13          | 500,000                                                                                                | 0.11          |
| Bondholders               | —                                              | —             | 75,000,000                                                                                             | 15.92         |
| Other public Shareholders | 382,034,423                                    | 96.45         | 382,034,423                                                                                            | 81.10         |
| <b>Total</b>              | <b>396,078,173</b>                             | <b>100.00</b> | <b>471,078,173</b>                                                                                     | <b>100.00</b> |

Note:

- (1) The number of Consolidated 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 the Latest Practicable Date and as adjusted taking into account of the Share Consolidation.
- (2) Percentage may not add up to 100 per cent due to rounding.

### REASONS FOR THE PLACING AND 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.

---

## LETTER FROM THE BOARD

---

The aggregate gross proceeds and net proceeds to the Company from the issue of the Convertible Bonds will be HK\$30,000,000 and approximately HK\$28,610,000 respectively. On such basis, the net price to the Company of each Conversion Share is approximately HK\$0.38. The Directors consider that the Placing represents an opportunity to enlarge the equity base of the Company and provide financial resources for the Company. As set out in the Company's announcement dated 12 June 2014 in relation to the acquisition of 51% interest in Dragon Oriental Investment Limited ("**Acquisition**"), the Company originally proposed to fund the total consideration for the Acquisition by the Group's internal resources and/or borrowings from financial institution(s). The Company now intends to apply the net proceeds from the issue of the Convertible Bonds as to (i) approximately HK\$17,360,000 for the Acquisition (being 80% of the total consideration for the Acquisition); and (ii) approximately HK\$11,250,000 as general working capital of the Group, out of which (a) approximately HK\$3,000,000 will be allocated for repayment of bank overdraft of the Group and approximately HK\$8,250,000 will be allocated for payment of operational outgoings (such as payroll costs, other administrative expenses and professional fees).

As at 31 May 2014, the Group had outstanding bank loans of approximately HK\$41,497,000, of which approximately HK\$22,343,000 will mature within 365 days, and approximately HK\$8,520,000 will mature within 13 months to 60 months. As at 31 May 2014, the cash and bank balance of the Group was approximately HK\$9,023,000.

The Directors have considered alternative financing means. However, the gearing ratio of the Group shall increase significantly should the Group raise fund through bank borrowings. The Board has also considered the options of rights issue and open offer. However, the documentation involved in a rights issue or open offer is more complicated and the preparation time is longer as compared to a placing of Convertible Bonds, and the Company is unable to secure an underwriter for a rights issue or open offer exercise. In addition, the Placing is subject to Shareholders' approval, which means that the Shareholders can have a right to disapprove the Placing. Therefore, the Directors consider that the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors consider that the terms of the Placing Agreement and the issue of the Convertible Bonds pursuant to the terms thereof are fair and reasonable based on the current market conditions and in the interests of the Company and its shareholders as a whole.

---

## LETTER FROM THE BOARD

---

### FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE LATEST PRACTICABLE DATE

Save as disclosed below, the Company had not completed any fund raising exercises in the past 12 months immediately preceding the Latest Practicable Date:

| Date of first announcement          | Fund raising activity                                                                                                                                                                                     | Net proceeds raised (approximately) | Proposed use of the net proceeds                                                   | Actual use of the net proceeds                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12 January 2014 and 29 January 2014 | Placing of 223,950,000 new Shares at HK\$0.108 per 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 | HK\$23,060,000                      | HK\$23,060,000 was intended to be applied as general working capital of the Group. | <p>(a) approximately HK\$15.00 million had been applied for repayment of bank overdraft of Wui Loong Scaffolding Works Company Limited (“<b>Wui Loong</b>”), a wholly-owned subsidiary of the Company;</p> <p>(b) approximately HK\$0.50 million had been applied for the repayment of bank overdraft of Wui Luen Engineering Company Limited, a wholly-owned subsidiary of the Company; and</p> <p>(c) approximately HK\$7.56 million had been applied as general working capital of Wui Loong.</p> |

### EGM

The EGM will be held at Rooms 1001-1006, 10th Floor, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Aberdeen, Hong Kong on Wednesday, 20 August 2014 at 11:00 a.m. for the purposes of considering and, if thought fit, approving the Share Consolidation and the Placing Agreement and all the transactions contemplated thereunder (including the grant of the Specific Mandate). To the best knowledge of the Directors, no Shareholder is required to abstain from voting at the EGM in respect of the resolutions relating to the Share Consolidation and the Placing Agreement.

Whether or not you propose to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same 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 as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or

---

## LETTER FROM THE BOARD

---

any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish, and in such case, the form of proxy previously submitted by such member(s) shall be deemed to be revoked.

### RECOMMENDATION

The Directors are of the opinion that the Share Consolidation and the Placing and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders to vote in favour of the resolutions to be proposed at the EGM.

### RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

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



---

## NOTICE OF EGM

---



### WLS Holdings Limited

滙隆控股有限公司\*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8021)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“EGM”) of the shareholders of WLS Holdings Limited (“**Company**”) will be held at Rooms 1001-1006, 10th Floor, Tower A, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Aberdeen, Hong Kong on Wednesday, 20 August 2014 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company as ordinary resolutions:

#### ORDINARY RESOLUTIONS

1. **“THAT** subject to and conditional upon the granting by The Stock Exchange of Hong Kong Limited of the approval for the listing of, and permission to deal in, the ordinary shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below (**“Share Consolidation”**):
  - (a) with effect from 8:00 a.m. (Hong Kong time) on 21 August 2014, every four (4) ordinary shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) share of HK\$0.04 (each a **“Consolidated Share”**), such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the constitutional documents of the Company; and
  - (b) the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient to give effect to the foregoing arrangements for the Share Consolidation.”
2. **“THAT**
  - (a) the Placing Agreement (as defined in, the principal terms of which are summarised in, the circular (**“Circular”**) to the shareholders of the Company dated 4 August 2014, a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification) (a copy of the Placing Agreement has been produced to the

\* For identification purpose only

---

## NOTICE OF EGM

---

EGM marked “B” and signed by the chairman of the EGM for the purpose of identification) and all the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

- (b) subject to the fulfillment and/or waiver of the conditions set out in the Placing Agreement, the directors of the Company be and are hereby authorised to issue the Convertible Bonds (as defined in the Placing Agreement) in accordance with the terms and conditions of the Placing Agreement;
- (c) the directors of the Company be and are hereby authorised to allot and issue new shares of the Company (“**Conversion Shares**”) which may fall to be issued upon the exercise of the conversion rights attached to the Convertible Bonds (as defined in the Placing Agreement); and
- (d) the directors of the Company be and are hereby authorised to do all such further acts and things and execute such further documents which in their opinion may be necessary or expedient to give effect to the terms of the Placing Agreement and the allotment and issue of the Conversion Shares or any of the transactions contemplated under the Placing Agreement.”

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

Hong Kong, 4 August 2014

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Rooms 1001-1006  
10th Floor, Tower A  
Southmark  
11 Yip Hing Street  
Wong Chuk Hang  
Aberdeen  
Hong Kong

*Notes:*

- (i) A member entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy needs not be a member of the Company.
- (ii) Where there are joint registered holders of any share of the Company, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding, and for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the joint holding.

---

## NOTICE OF EGM

---

- (iii) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be 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 not less than 48 hours before the time appointed for holding the meeting.
- (iv) Delivery of any instrument appointing a proxy will not preclude a member from attending and voting in person at the meeting. If a member attends the meeting after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.

*This notice, for which the directors of the Company ("**Directors**") collectively and individually accept full responsibility, includes particulars given in the compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") 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 notice 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 notice misleading.*

*This notice will remain on the website of the GEM of the Stock Exchange for at least seven days from the day of its posting and on the website of the Company at [www.wls.com.hk](http://www.wls.com.hk).*