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QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

(I) CHANGE IN USE OF PROCEEDS; AND (II) DISCLOSABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

Reference is made to the circular of the Company dated 3 February 2016 (the “**Circular**”) and the prospectus of the Company dated 10 March 2016 (the “**Prospectus**”), in relation to, among other matters, the use of proceeds of the Placing and the Open Offer and the announcement of the Company dated 14 September 2016 (the “**Announcement**”) in relation to the change in use of proceeds. Capitalised terms used in this announcement shall have the same meanings as defined in the Circular, the Prospectus and the Announcement unless otherwise stated.

(I) CHANGE IN USE OF PROCEEDS

The Company originally intended to apply the net proceeds of approximately HK\$636.83 million from the Placing and the Open Offer (the “**Net Proceeds**”) for expanding the principal business of the Company. On 14 September 2016, the Company changed the use of part of the Net Proceeds of approximately HK\$226.83 million to future possible short term investment opportunities as identified by the Company and then applied i) approximately HK\$173 million for acquisition of Hong Kong listed equities and ii) approximately HK\$40 million for subscription of an investment fund. As at the date of this announcement, the remaining balance of the Net Proceeds after the change in September 2016 were approximately HK\$410 million (the “**Remaining Proceeds**”) and were still not utilized as intended.

The Company has attempted to explore land located in Guangdong province or other places in the Southern China during the past twelve months but no concrete terms have been established nor have any legal binding agreements been reached with any potential vendors of land for the construction of new factory. The Board is of the views that the expansion plan by building a new factory cannot be implemented as intended.

For the purpose of enhancing the effective allocation of the financial resources of the Company, the Board resolved to change the proposed use of the Remaining Proceeds for acquisition of land for the construction of a new factory, purchase of new machinery for the new factory and construction of a new factory to as to i) approximately HK\$110 million for the principal business of the Company including but not limited to expanding its manufacture and sale of integrated circuit lead-frames, heatsinks and stiffeners, such as upgrading the original production line, and/or for general working capital of the Group, as to ii) approximately HK\$100 million for future possible investment opportunities as identified by the Company from time to time and, as to iii) approximately HK\$200 million for making loan facility to a licensed money lender to earn higher interest income to the Company.

The Board considers such change is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(II) PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

On 29 March 2017 (after trading hours), Quality Capital, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with GEO Finance, pursuant to which Quality Capital has agreed to make available to GEO Finance a loan facility of up to HK\$200,000,000, bearing interest at a rate of thirteen per cent (13%) per annum.

Principal terms of the Loan Agreement are set for the below:

THE LOAN AGREEMENT

Date

29 March 2017 (after trading hours)

Parties

- (a) Quality Capital, as the lender
- (b) GEO Finance, as the borrower

Facility

Quality Capital has agreed to make available to GEO Finance a loan facility of up to a maximum aggregate amount of HK\$200,000,000.

Drawdown Conditions

Multiple drawings of the Quality Loan are required with each drawdown of not more than i) HK\$40,000,000 and ii) the GEO Loan.

Release of each Drawings to GEO Finance is subject to:

- (a) GEO Finance provide a written notice to Quality Capital to request Quality Capital to make available to GEO Finance, any part of Quality Loan which has not been drawn down;
- (b) the presentation of the GEO Loan Documents;
- (c) GEO Finance entered into the Participation Deed with Quality Capital in relation to participate in the GEO Loan.
- (d) Each of the Participation Deed shall contain the following enforcement clause:
 - (i) GEO Finance shall consult Quality Capital and obtain the agreement of Quality Capital before taking or refraining from taking all or any steps with respect to the enforcement of the rights and the exercise of the authorities or powers conferred on GEO Finance under the GEO Loan Documents.
 - (ii) In the event that GEO Finance does not proceed to take any action or steps with respect to the enforcement of the rights under the GEO Loan Documents, GEO Finance hereby irrevocably and unconditionally appoints Quality Capital to be GEO Finance's attorney in its absolute discretion to do all things necessary for enforcing the GEO Finance's rights under the GEO Loan Documents including and not limited to instituting legal proceedings against its borrower in the name of GEO Finance and taking all other actions Quality Capital deems necessary.

Drawdown Period

GEO Finance may drawdown any part of the Quality Loan on any Business Day during the period commencing on the date of the Loan Agreement and ending 180 days after the date of the Loan Agreement.

Repayment Date

The repayment date of each Drawings is same as the due date of each of the GEO Loan.

Interest

The Quality Loan shall have an interest of thirteen per cent (13%) per annum be calculated on the actual number of days elapsed and on the basis of a 360 days per year, which shall be payable on the repayment date of each Drawings.

Legal Binding

The Loan Agreement shall constitute binding agreement between GEO Finance and Quality Capital and shall be governed by the laws of Hong Kong.

SOURCE OF FUNDING

The Quality Loan will be financed by the Remaining Proceeds.

INFORMATION ON GEO FINANCE

GEO Finance is a company incorporated in Hong Kong with limited liability. It is a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) in Hong Kong and its key product is personal loan and subordinate property mortgage loan. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, GEO Finance and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR PROVISION OF QUALITY LOAN

The Group is principally engaged in the manufacturing and sale of integrated circuit lead-frames, heatsinks and stiffeners, securities trading and investment holding.

The Group currently has certain idle cash in its bank accounts. The Board considers that the provision of the Quality Loan shall provide a higher interest income to the Company as compared to depositing the cash in a bank. Quality Capital would conduct reasonable due diligence on the GEO Loan Documents in all aspects before make the Quality Loan available to GEO Finance.

The Board considers that the provision of the Quality Loan is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL

The provision of the Quality Loan constitutes a financial assistance provided by the Company within the meaning of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Quality Loan exceeds 5% but all of them are less than 25%, the provision of the Quality Loan constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the provision of the Quality Loan constitutes advance to an entity under the Listing Rules and the assets ratio as defined under Rule 14.07(1) of the Listing Rules exceeds 8%, the provision of the Quality Loan is also subject to the general disclosure obligation under Rule 13.13 and Rule 13.15 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the following meanings as specified herein:

“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	QPL International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Drawings”	at any time, each of advances drawn under the Facility outstanding at such time and each drawdown of not more than i) HK\$40,000,000 and ii) the GEO Loan
“Facility”	a loan facility of up to a maximum aggregate amount of HK\$200,000,000 made available by Quality Capital to GEO Finance pursuant to the terms and conditions of the Loan Agreement
“GEO Finance”	GEO Finance Limited, a company incorporated in Hong Kong with limited liability. It is a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) in Hong Kong
“GEO Loan Documents”	the loan agreement entered into between GEO Finance and its borrower (the “Borrower”) or other documents (except for Participation Deed) evidencing the terms of the GEO Loan and any other documents ancillary thereto together with any securities, guarantees, indemnities, mortgage, charge, instruments or documents which have been executed for the GEO Loan or any part thereof as security therefor
“GEO Loan”	the principal amount drawn down by the Borrower under the GEO Loan Documents and being outstanding for the time being

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties which are not connected persons of the Company (as defined in the Listing Rules) and are independent of the Company and its connected persons
“Listing Rules”	the Rule Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 29 March 2017 entered into between Quality Capital and GEO Finance with respect to the Facility
“Participation Deed”	the participation deed to be entered into between GEO Finance and Quality Capital in relation to participate to GEO Finance in the GEO Loan
“Quality Capital”	Quality Capital Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Quality Loan”	at any time, the aggregate of all advances drawn under the Facility outstanding at such time
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board of
QPL International Holdings Limited
Li Tung Lok
Executive Chairman and Chief Executive

Hong Kong, 29 March 2017

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Li Tung Lok (Executive Chairman and Chief Executive), Mr. Phen Hoi Ping, Patrick, Mr. Wong Ka Lok, Andrew and Ms. Tung Siu Ching, one non-executive director, namely Mr. Wong Wai Man and three independent non-executive directors, namely Ms. Chung Hoi Yan, Mr. Yau Chi Hang and Mr. Chu Chun On, Franco.