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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 QPL International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of QPL International Holdings Limited to be held on Tuesday, 15 September 2015 at 10:30 a.m. at BEST WESTERN PLUS Hotel Hong Kong (previously named as Ramada Hong Kong Hotel) (Jasmine Room 3/F), 308 Des Voeux Road West, Hong Kong is set out on pages 26 to 30 of this circular.

Whether or not you are able to attend the annual general meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

12 August 2015

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company convened to be held on Tuesday, 15 September 2015 at 10:30 a.m. at BEST WESTERN PLUS Hotel Hong Kong (previously named as Ramada Hong Kong Hotel) (Jasmine Room 3/F), 308 Des Voeux Road West, Hong Kong, notice of which is set out on pages 26 to 30 of this circular;
“Board”	the board of Directors;
“Business Day”	means a day on which the Stock Exchange is open for the business of dealing in securities;
“Bye-laws”	the bye-laws of the Company;
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Company”	QPL International Holdings Limited, an exempted company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 243);
“Concert Parties”	parties acting in concert with Mr. Li Tung Lok for the purpose of the Takeovers Code;
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Eligible Participant(s)”	including but not limited to any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group or any other person, who, at the sole discretion of the Board, has contributed to the Group;
“Existing Issue Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 18 September 2014 to allot or otherwise deal with the unissued shares of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;

DEFINITIONS

“Issue Mandate”	the general and unconditional mandate to allot, issue and deal with Shares (and securities convertible into Shares) representing up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution;
“Latest Practicable Date”	6 August 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the new share option scheme proposed to be conditionally adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular;
“Option(s)”	the option(s) to subscribe for Shares on terms determined by the Directors pursuant to the New Share Option Scheme or any other share option scheme of the Company;
“Repurchase Mandate”	the general and unconditional mandate to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant resolution;
“Scheme Mandate Limit”	the maximum number of Options that may be granted by the Company pursuant to the New Share Option Scheme;
“SFO”	the Securities and Futures Ordinance, (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;
“Share(s)”	ordinary share(s) of HK\$0.08 each in the share capital of the Company or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary share capital of the Company as a result from any such sub-division, reduction, consolidation, reclassification or reconstruction;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission; and
“%”	per cent.

LETTER FROM THE BOARD



QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

Executive Directors:

Mr. Li Tung Lok (*Executive Chairman and
Chief Executive*)
Mr. Phen Hoi Ping, Patrick
Ms. Tung Siu Ching

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Non-executive Director:

Mr. Wong Wai Man

*Head Office and Principal Place
of Business in Hong Kong:*

Independent Non-Executive Directors:

Mr. How Sze Ming
Mr. Lee Kwok Wan
Mr. Yau Chi Hang

8th Floor, Hale Weal Industrial Building
22-28 Tai Chung Road
Tsuen Wan, New Territories
Hong Kong

12 August 2015

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you information regarding the resolutions to be proposed at the AGM including ordinary resolutions for, inter alia, (i) the re-election of the retiring Directors; (ii) granting to the Directors the Issue Mandate and the Repurchase Mandate upon the expiry of the current general mandates to issue Shares and repurchase Shares granted to the Directors at the annual general meeting of the Company held on 18 September 2014; and (iii) adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with bye-law 102A of the Bye-laws, Mr. Phen Hoi Ping Patrick will retire by rotation and, being eligible, will offer himself for re-election at the AGM. Also, in accordance with bye-law 102 of the Bye-laws, Ms. Tung Siu Ching, Mr. Wong Wai Man and Mr. Yau Chi Hang will retire and, being eligible, will offer themselves for re-election at the AGM.

As an executive Chairman of the Board, Mr. Li Tung Lok is not, by virtue of Bermuda law, subject to retirement by rotation. However, in order to comply with the Code Provision A.4.2 of the Corporate Governance Code (“CG Code”) contained in Appendix 14 to the Listing Rules, which stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years, Mr. Li has agreed to voluntarily retire and be re-elected as executive Director at least once every three years. At the annual general meeting of the Company held on 18 September 2012, Mr. Li voluntarily retired from office and was re-elected as executive Director. Mr. Li continues to act as executive Chairman of the Board. Mr. Li will voluntarily retire from office at the AGM and, being eligible, will offer himself for re-election at the AGM.

Pursuant to the Company’s own code on corporate governance practices, every non-executive Director should be appointed for a fixed term of not more than three years, subject to re-election. Accordingly, the term of appointment for the retiring non-executive Director offering himself for re-election shall be a fixed term of not more than three years, commencing on the date of his re-election (being the date of the AGM or the date to which it is adjourned, as the case may be) and ending on the earlier of (i) the day immediately preceding the third anniversary of his re-election; and (ii) the time of his retirement by rotation pursuant to the Bye-laws.

Mr. Yau Chi Hang, being independent non-executive Director, has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. Having considered the requirements and obligations of independent non-executive Directors, including the factors to be taken into account in assessing his independence under Rule 3.13 of the Listing Rules, the Board believes that Mr. Yau Chi Hang continue to be independent.

Biographical details of the retiring Directors who are proposed to be re-elected at the AGM as required to be disclosed under the Listing Rules are set out in Appendix I to this circular.

The re-election of the retiring Directors will be individually put to vote by the Shareholders at the AGM.

ISSUE MANDATE AND REPURCHASE MANDATE

At the last annual general meeting of the Company held on 18 September 2014, ordinary resolutions were passed to grant general mandates to the Directors, inter alia, (a) to allot, issue and otherwise deal with additional Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution; and (b) to repurchase Shares in accordance with the Listing Rules up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution. At the Latest Practicable Date, the Existing Issue Mandate had been almost fully utilized as a result of the placing of 153,470,000 new Shares under the Existing Issue Mandate announced on 2 June 2015 by the Company

LETTER FROM THE BOARD

(the “Placing”). The Placing was completed on 16 June 2015. There has not been any refreshment of the Existing Issue Mandate since 2 June 2015. Accordingly, after the issue of the aforesaid new Shares as a result of the Placing, only 4,708 new shares may be further issued and allotted under the Existing Issue Mandate.

At the AGM, separate ordinary resolutions will be proposed to seek the approval of the Shareholders to grant to the Directors general and unconditional mandates to:

- (a) allot, issue and otherwise deal with additional Shares (and securities convertible into Shares) representing up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution and authorising the addition to the mandate to allot, issue and deal with further Shares to include the aggregate nominal amount of such Shares (if any) repurchased by the Company pursuant to the Repurchase Mandate referred to in paragraph (b) below; and
- (b) repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution.

The Issue Mandate and the Repurchase Mandate will end on the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Bye-laws to be held; or
- (iii) the revocation or variation of the relevant resolution by an ordinary resolution of the Shareholders in general meeting.

As at the Latest Practicable Date, the issued share capital of the Company comprised 920,843,549 Shares. On the basis that no further Shares will be issued or repurchased following the Latest Practicable Date and prior to the date of the AGM, the Company will be allowed to issue a maximum of 184,168,709 Shares under the Issue Mandate and to repurchase a maximum of 92,084,354 Shares under the Repurchase Mandate, representing not more than 20% and 10% of the issued share capital of the Company respectively as at the date of passing of such resolutions.

An explanatory statement in relation to the Repurchase Mandate is set out in Appendix II to this circular containing the particulars required by the Listing Rules to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the Repurchase Mandate.

ADOPTION OF NEW SHARE OPTION SCHEME

An ordinary resolution will be proposed to the Shareholders to adopt the New Share Option Scheme at the AGM. The purpose of the New Share Option Scheme is to enable the Company to grant Options to selected Eligible Participants as incentives or rewards for their contribution to the Company and/or the Subsidiaries and/or to enable the Group to recruit and retain high calibre employees and attract human

LETTER FROM THE BOARD

resources that are valuable to the Group. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. The New Share Option Scheme will take effect on the date of its adoption at the AGM and is conditional upon:

- (a) the passing of the ordinary resolution by the Shareholders to approve and adopt the New Share Option Scheme and to authorise the Board to grant Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
- (b) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of any Options.

The New Share Option Scheme does not stipulate either a minimum period for which an Option must be held or any performance targets a grantee is required to achieve before an Option may be exercised. However, under the New Share Option Scheme, the Board may at its discretion specify any conditions which must be satisfied before the Option may be exercised in the offer document whereby the Option is offered. The Board believes that this will provide the Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentives or rewards to recruit and retain high calibre employees and attract human resources that are valuable to the Group.

The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other right, including those arising on the liquidation of the Company. The aggregate number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any new share option scheme of the Company which may be adopted hereinafter must not, in aggregate, exceed 10% of the total number of Shares in issue at the date of adoption of the New Share Option Scheme or any new share option scheme (as the case may be). The maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. At the Latest Practicable Date, the issued share capital is 920,843,549 Shares. Assuming that no further Shares are issued and repurchased after the Latest Practicable Date and up to the date of the AGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme would be 92,084,354 Shares.

The Board considers that it is not appropriate or helpful to Shareholders to state the value of the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the subscription price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options to be granted and the timing of granting such Options, the period during which the Options may be exercised, the discretion of the Board to impose any performance targets that have to be achieved before the Options can be exercised and any other terms and conditions that the Board may impose with respect to the Options and whether or not such Options, if granted, will be exercised by the holders of the Options. Accordingly, the Board believes that any calculation of the value of the Options based on a great number of speculative assumptions will not be meaningful and may be misleading to Shareholders

LETTER FROM THE BOARD

in the circumstances. None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustees of the New Share Option Scheme, if any. Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any Options that may be granted under the New Share Option Scheme. The Company will comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the New Share Option Scheme. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the New Share Option Scheme will be available for inspection at 8th Floor, Hale Weal Industrial Building, 22-28 Tai Chung Road, Tsuen Wan, New Territories, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM and will be available for inspection at the AGM.

As at the Latest Practicable Date, the Company currently does not contemplate to grant Options under the New Share Option Scheme in the near future and has no immediate plan to grant Options under the New Share Option Scheme upon it comes into effect.

AGM

The notice convening the AGM is set out on pages 26 to 30 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon and deposit it with the Company's branch share registrar in Hong Kong, Tricor Standard 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 holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Listing Rule 13.39(4), any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of the AGM will be put to the vote by way of a poll.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

GENERAL

The English text of this circular shall prevail over the Chinese text.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 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 contained herein or this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the re-election of the retiring Directors, the granting of the Issue Mandate and the Repurchase Mandate, and the adoption of the New Share Option Scheme, are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of each of the resolutions set out in the notice of the AGM.

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

The following are the biographical details on the retiring Directors who have offered themselves for re-election at the AGM.

Mr. Li Tung Lok

Mr. Li Tung Lok, aged 63, is the founder of the Group. He has been an executive Director and the Chairman of the Board since January 1989. Mr. Li has also served as the chief executive of the Company since January 1989 (except for the period from February 2004 to December 2008). He is also a member of the Remuneration Committee since January 2006. Mr. Li is responsible for the Group's corporate strategic planning, overall management, business and product development. He has a B. Sc. Degree in Chemical Engineering and over 39 years of experience of the semiconductor industry.

Mr. Li also holds directorships in certain subsidiaries of the Company, all being unlisted companies. Save as disclosed above, Mr. Li does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders nor has he held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Li had personal interests in 208,794,282 Shares, family interests in 3,000,000 Shares and corporate interests in 18,590,944 Shares, in aggregate of 230,385,226 Shares representing approximately 25.02% of the issued share capital of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Li for his appointment as executive Director and the Chairman. The director's fee of Mr. Li was approximately HK\$135,000 for the financial year ended 30 April 2015, which was determined by the Remuneration Committee by reference to his duties and responsibilities, as well as the remuneration benchmark in the industry and the prevailing market conditions. His remuneration is subject to review by the Remuneration Committee from time to time.

As an executive Chairman of the Board, Mr. Li is not, by virtue of Bermuda law, subject to retirement by rotation. However, in order to comply with the Code Provision A.4.2 of the CG Code, which stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years, Mr. Li has agreed to voluntarily retire and be re-elected as executive Director at least once every three years. At the annual general meeting of the Company held on 18 September 2012, Mr. Li voluntarily retired from office and was re-elected as executive Director. Mr. Li continues to act as executive Chairman of the Board. Mr. Li will voluntarily retire from office at the AGM and, being eligible, will offer himself for re-election at the AGM.

Save as disclosed above, there are no other matters concerning Mr. Li Tung Lok that need to be brought to the attention of Shareholders nor is there any information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Phen Hoi Ping Patrick

Mr. Phen Hoi Ping Patrick, aged 45, has been an executive Director since December 2008. He is responsible for the Group's overall sales, services and supplies management. Mr. Phen obtained his bachelor's degree in Engineering from Loughborough University of Technology, Loughborough, United Kingdom. He has over 22 years of experience in semiconductor sales, services and supplies management through his previous employment with different companies in Hong Kong. Prior to joining the Group in 2001, Mr. Phen had worked as a customer services engineer and then a deputy director, account management of ASAT Limited, a subsidiary of ASAT Holdings Limited, which was an associated company of the Group, between 1991 to 1996, and then from 1996 to 2001 was a sales director at SMI Limited, a subsidiary of SDI Corporation, a company incorporated in Taiwan and listed on the Taiwan Stock Exchange.

Mr. Phen also holds directorships in certain subsidiaries of the Company, all being unlisted companies. Save as disclosed above, Mr. Phen does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders nor has he held any directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Phen did not have any interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Phen is entitled to receive salary under his current service contract with the Group and his salary was approximately HK\$1.56 million for the financial year ended 30 April 2015, which was determined by the Remuneration Committee with reference to his duties and responsibilities, as well as the remuneration benchmark in the industry and the prevailing market conditions. His emoluments are subject to review by the Remuneration Committee from time to time. Mr. Phen does not receive a director's fee. The term of his service as an executive Director is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Save as disclosed above, there are no other matters concerning Mr. Phen that need to be brought to the attention of Shareholders nor is there any information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Ms. Tung Siu Ching

Ms. Tung Siu Ching, aged 61, has been appointed as an executive Director of the Company since 18 June 2015. Ms. Tung engaged in import and export industry for more than 25 years. She hold management positions in several trading companies and was responsible for regional marketing strategy and internal staff training. Ms. Tung has extensive knowledge in corporate operation management and in marketing in the PRC and Europe.

As at the Latest Practicable Date, Ms. Tung does not have any interests in the Shares or underlying Shares within the meaning of Part XV of the SFO. She does not have any relationship with the Directors, senior management, or substantial/controllers Shareholders nor does she hold any other position with the Company or any member company of the Group. Save as disclosed above, Ms. Tung has not held any other directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Ms. Tung has entered into a service contract with the Group. The term of her service as an executive Director is subject to retirement and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Ms. Tung is entitled to receive a director's fee of HK\$144,000 per annum which is determined by the Board with reference to her duties and responsibilities, as well as the remuneration benchmark from other companies and prevailing market conditions. Her remuneration is subject to review by the Remuneration Committee of the Company from time to time.

Save as disclosed above, there are no other matters concerning Ms. Tung that need to be brought to the attention of Shareholders nor is there any information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Wong Wai Man

Mr. Wong Wai Man, aged 46, has been appointed as a non-executive Director and company secretary of the Company since 30 April 2015. Mr. Wong is an associate member of the Hong Kong Institute of Certified Public Accountants and has more than 20 years of experience in finance, accounting and auditing. Mr. Wong obtained a bachelor of arts degree in accountancy from The Hong Kong Polytechnic University in November 1991 and a master of science degree in financial economics from the University of London in December 1997. From August 1991 to April 1996, Mr. Wong worked as an auditor with Ernst & Young. He is an independent non-executive director of Times Property Holdings Limited since November 2013 (stock code: 1233) and was an executive director of China Household Holdings Limited (formerly known as Bao Yuan Holdings Limited and Ching Hing (Holdings) Limited) (stock code: 692) from 2006 to 2010.

As at the Latest Practicable Date, Mr. Wong does not have any interests in the Shares or underlying Shares within the meaning of Part XV of the SFO. He does not have any relationship with the Directors, senior management, or substantial/controllers Shareholders nor does he hold any other position with the Company or any member company of the Group. Save as disclosed above, Mr. Wong has not held any other directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Wong has not entered into any service contract with the Company. The term of appointment for Mr. Wong as a non-executive Director will be a fixed term of not more than three years, commencing on the date of his re-election (being the date of the AGM or any adjournment thereof, as the case may be) and ending on the earlier of (i) the day immediately preceding the third anniversary of his re-election or (ii) the time of his retirement by rotation pursuant to the Bye-laws.

Mr. Wong is entitled to receive a director's fee of HK\$180,000 per annum which is determined by the Board with reference to his duties and responsibilities, as well as the remuneration benchmark from other companies and prevailing market conditions. His remuneration is subject to review by the Remuneration Committee of the Company from time to time.

Save as disclosed above, there are no other matters concerning Mr. Wong that need to be brought to the attention of Shareholders nor is there any information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Yau Chi Hang

Mr. Yau Chi Hang, aged 40, has been appointed as an independent non-executive Director of the Company since 18 June 2015. He is also the Chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee of the Company. Mr. Yau has over 15 years of experience in electronic industry. He hold management positions in a Japanese based company which delivers electronic components, such as integrated circuits products and transistors, in Hong Kong and in the PRC for over 10 years and was responsible for formulating and executing marketing strategy for the company. Mr. Yau holds a Master of Science degree and a Bachelor of Science degree in Chemistry from The University of Hong Kong.

As at the Latest Practicable Date, Mr. Yau does not have any interests in the Shares or underlying Shares within the meaning of Part XV of the SFO. He does not have any relationship with the Directors, senior management, or substantial/controlling Shareholders nor does he hold any other position with the Company or any member company of the Group. Save as disclosed above, Mr. Yau has not held any other directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Yau has not entered into any service contract with the Company. The term of appointment for Mr. Yau as an independent non-executive Director will be a fixed term of not more than three years, commencing on the date of his re-election (being the date of the AGM or any adjournment thereof, as the case may be) and ending on the earlier of (i) the day immediately preceding the third anniversary of his re-election or (ii) the time of his retirement by rotation pursuant to the Bye-laws.

Mr. Yau is entitled to receive a director's fee of HK\$100,000 per annum which is determined by the Board with reference to his duties and responsibilities, as well as the remuneration benchmark from other companies and prevailing market conditions. His remuneration is subject to review by the Remuneration Committee of the Company from time to time.

Save as disclosed above, there are no other matters concerning Mr. Yau that need to be brought to the attention of Shareholders nor is there any information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to you with regard to the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SECURITIES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities (which shall include, where the context permits, shares of all classes and securities which carry a right to subscribe or purchase shares) on the Stock Exchange subject to certain restrictions amongst which the Listing Rules provide that the shares proposed to be repurchased by a company must be fully paid-up and all repurchases of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders either by way of general mandate to the directors to make such repurchases or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 920,843,549 Shares. Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no Shares are allotted and issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 92,084,354 Shares, representing 10% of the issued share capital of the Company as at the date of passing the proposed resolution on the Repurchase Mandate.

3. REASONS FOR THE REPURCHASE

The Directors believe that the ability to repurchase Shares is in the best interests of the Company and the Shareholders as a whole. Repurchases may, depending on the market conditions and funding arrangements of the Company at the time, result in an increase in net asset value and/or earnings per Share. The Directors are seeking a general mandate to repurchase Shares so as to give the Company flexibility to do so if and when appropriate. The number(s) of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, a repurchase would be effected where the resulting reduction in the issued capital of the Company was considered beneficial. The Directors believe that an ability to repurchase Shares gives the Company additional flexibility that would be beneficial. Shareholders can be assured that the Directors would only make such repurchases in circumstances where they consider them to be in the interest of the Company because they consider the Shares can be purchased on favourable terms.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for such purpose in accordance with the Company's memorandum of association and Bye-laws, the Listing Rules and the applicable laws of Bermuda. The Companies Act 1981 of Bermuda (as amended) provides that the amount of capital paid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or from the proceeds of a fresh issue of shares made for the purpose. The Companies Act 1981 of Bermuda (as amended) further provides that the amount of premium payable on repurchase may only be paid out of either the funds that would otherwise be available for distribution or dividend or out of the share premium account of the Company. The Shares repurchased will be treated as cancelled and the amount of the Company's issued share capital will be diminished by the nominal value of such Shares, but the aggregate amount of the Company's authorised share capital will not be thereby reduced.

On the basis of the consolidated financial position of the Company as at 30 April 2015 (being the date to which the latest published audited consolidated financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares in issue as at the Latest Practicable Date, the Directors consider that there would be a material adverse impact on the working capital position and that there would be a material adverse impact on the gearing position of the Company in the event that repurchases of all the Shares the subject of the proposed mandate were to be carried out in full during the proposed mandate period. However, no repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in its latest published audited financial statements) unless the Directors consider that such repurchases were in the best interests of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2014		
August	0.395	0.340
September	0.485	0.345
October	0.455	0.360
November	0.415	0.380
December	0.425	0.330
2015		
January	0.360	0.315
February	0.340	0.300
March	0.385	0.305
April	0.465	0.340
May	0.720	0.400
June	0.780	0.425
July	0.450	0.215
August (up to the Latest Practicable Date)	0.290	0.230

Source: The Stock Exchange of Hong Kong Limited

6. DIRECTORS' INTERESTS

To the best of the knowledge of the Directors having made all reasonable enquiries, there are no Directors or close associates of the Directors who have a present intention, in the event that the Repurchase Mandate is granted by the Shareholders, to sell any of the Shares to the Company.

7. TAKEOVERS CODE AND THE PUBLIC FLOAT REQUIREMENT

If as a result of a share repurchase, a shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Li Tung Lok, a substantial shareholder of the Company, together with his Concert Parties, held approximately 25.02% of the then issued shares capital of the Company. On the basis of 920,843,549 Shares in issue as at the Latest Practicable Date and assuming no further issue, allotment or repurchase of Shares prior to the date of the AGM, if the Repurchase Mandate were exercised in full, the percentage shareholding of Mr. Li and his Concert Parties in the Company would increase to approximately 27.80%. Such increase is not expected to give rise to an obligation on the part of Mr. Li and his Concert Parties to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate. Furthermore, the Company and the Directors have no current intention to exercise the Repurchase Mandate, to such extent as would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Further, the Company may not repurchase its own Shares on the Stock Exchange if that repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

8. CORE CONNECTED PERSONS

No core connected persons of the Company have notified the Company that they have a present intention to sell any of the Shares to the Company and no such persons have undertaken not to sell any of the Shares held by them to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

9. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases of the Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the regulations set out in the memorandum of association and Bye-laws of the Company.

10. SECURITIES REPURCHASES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company had not repurchased any of the Company's listed securities (whether on the Stock Exchange or otherwise).

The following is a summary of the principal terms of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

The terms of the New Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

(I) PURPOSES OF THE SCHEME

The purpose of the New Share Option Scheme is to enable the Group to grant Options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider the New Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given that the Directors are entitled to determine the minimum period that an Option must be held before an Option can be exercised on a case by case basis, and that the exercise price of an Option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an Option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options granted.

(II) WHO MAY JOIN

The Directors may, at its absolute discretion, invite any person belonging to any of the following classes of participants, to take up Options to subscribe for Shares:

- (aa) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) (the “**Eligible Employee**”) of any member of the Group or any entity (“**Invested Entity**”) in which any member of the Group holds an equity interest;
- (bb) any non-executive directors (including independent non-executive directors) of any member of the Group or any Invested Entity;
- (cc) any supplier of goods or services to any member of the Group or any Invested Entity;
- (dd) any customer of any member of the Group or any Invested Entity;
- (ee) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (ff) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be by any member of the Group or any Invested Entity; and
- (gg) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity.

For avoidance of doubt, the grant of any Options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of Option under the New Share Option Scheme.

The eligibility of any of the above class of participants to an offer for the grant of any Options shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group, provided that no grant shall be made except to such number of participants and in such circumstances that the Company will not be required under the applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof, and will not result in any breach by the Company or its directors of any applicable securities laws and regulations or in any filing or other requirements arising.

(III) MAXIMUM NUMBER OF THE SHARES

- (aa) The total number of the Shares which may be allotted and issued upon the exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share Option scheme of the Group) to be granted under the New Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue on the date of adoption of the New Share Option Scheme.
- (bb) Subject to (aa) above but without prejudice to (cc) below, the Company may seek approval of its Shareholders in general meeting to refresh the Scheme Mandate Limit provided that the total number of Shares which may be allotted and issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue at the date of approval of the limit and, for the purpose of calculating the limit, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Share Option Scheme and any other share option scheme of the Group) previously granted under the New Share Option Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Board of the Company to the Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (cc) Subject to (aa) above and without prejudice to (bb) above, the Company may seek separate Shareholders' approval in general meeting to grant Options beyond the Scheme Mandate Limit or, if applicable, the extended limit referred to in (bb) above to participants specifically identified by the Board of the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of the specified participants, the number and terms of Options to be granted, the purpose of granting Options to the specified participants with an explanation as to how the terms of the Options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (dd) Any increase in the Scheme Mandate Limit pursuant to (bb) or (cc) above shall in no event result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company or any of the subsidiaries exceed 30% of the Shares in issue from time to time.

(IV) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

Subject to (iii) above, the total number of Shares issued and which may fall to be issued upon the exercise of the Options granted under the New Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding Options) to each grantee in any 12-month period up to the date on which such Option is offered to each grantee shall not exceed 1% of the Company's issued share capital for the time being ("**Individual Limit**"). Any further grant of Options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by the Shareholders in general meeting with such grantee and his associates abstaining from voting.

(V) GRANT OF OPTIONS TO THE DIRECTORS, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDERS OF THE COMPANY OR ITS RESPECTIVE ASSOCIATES

- (aa) Any grant of Options under the New Share Option Scheme to a Director, chief executive or substantial shareholder of the Company or any of its respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed grantee of the Options).
- (bb) Where any grant of Options to a substantial shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each offer for the grant, in excess of HK\$5 million;

such further grant of Options must be approved by Shareholders in general meeting. The Company must send a circular to the Shareholders. The grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting (except that the grantee, his associates and any core connected person may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the Shareholders). Any vote taken at the meeting to approve the grant of such Options must be taken on a poll. Any change in the terms of Options granted to a substantial shareholder or an independent non-executive Director or any of its respective associates must be approved by the Shareholders in general meeting.

(VI) TIME OF ACCEPTANCE AND EXERCISE OF OPTION

An Option may be accepted by a participant within 28 days from the date of the offer of grant of the Option.

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence from the date on which the offer for the grant of Options is made, but shall end in any event not later than 10 years from the date of grant of the Option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer for the grant of Options to a grantee, there is no minimum period required under the New Share Option Scheme for the holding of an Option before it can be exercised.

(VII) PERFORMANCE TARGETS

A grantee is not required to achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised.

(VIII) SUBSCRIPTION PRICE FOR THE SHARES AND CONSIDERATION FOR THE OPTION

The subscription price for the Shares under the New Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer for the grant, which must be a Business Day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheet for the five Business Days immediately preceding the date of the offer for the grant; and (iii) the nominal value of a Share.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an Option.

(IX) RANKING OF THE SHARES

- (aa) The Shares allotted and issued upon the exercise of an Option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment of the Shares (the "**Allotment Date**"), including in respect of those rights arising on a liquidation of the Company, and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Allotment Date. A Share allotted and issued upon the exercise of an Option shall not carry voting rights until the name of the grantee has been entered on the register of members of the Company as the holder thereof.

- (bb) Unless the context otherwise requires, references to “**Shares**” in this paragraph include references to shares in the ordinary equity share capital of such nominal amount as shall result from a subdivision, consolidation, reclassification or re-construction of the share capital of the Company from time to time.

(X) RESTRICTIONS ON THE TIME OF THE OFFER FOR THE GRANT OF OPTIONS

No offer for grant of Options shall be made after inside information has come to its knowledge or inside information has been the subject of a decision until such inside information has been announced pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (aa) the date of the Board meeting for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and (bb) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcement, no offer for the grant of Options may be made.

The Directors may not make any offer for the grant of Option to a participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Listing Rules or any corresponding code or securities dealing restrictions adopted by us.

(XI) PERIOD OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme becomes effective.

(XII) RIGHTS ON CEASING EMPLOYMENT

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds referred to in sub-paragraph (xiv) below before exercising his Option in full, the Option (to the extent not already exercised) will lapse on the date of cessation or termination and shall not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation or termination, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

(XIII) RIGHTS ON DEATH, ILL -HEALTH OR RETIREMENT

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his personal representative(s), or, as appropriate, the grantee may exercise the Option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.

(XIV) RIGHTS ON DISMISSAL

If the grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group or the Invested Entity into disrepute), his Option (to the extent not already exercised) will lapse automatically on the date of cessation to be an Eligible Employee.

(XV) RIGHTS ON BREACH OF CONTRACT

If the Directors shall at their absolute discretion determine that the grantee of any Option (other than an Eligible Employee) or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and the Group or any Invested Entity on the other part, his Option will lapse automatically on the date on which the Directors have so determined.

(XVI) RIGHTS ON A GENERAL OR PARTIAL OFFER, TAKEOVER, SHARE REPURCHASE OR SCHEME OF ARRANGEMENT

If a general or partial offer, whether by way of takeover offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, with appropriate changes, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, a grantee shall be entitled to exercise his Option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his Option at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be.

(XVII) RIGHTS ON WINDING UP, COMPROMISE OR ARRANGEMENT

In the event of a resolution being proposed for the voluntary winding-up of the Company or a compromise or arrangement between the Company and its members or creditors being proposed for the reconstruction or amalgamation, during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than four Business Days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and the Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his Option not less than one Business Day before the date on which such resolutions are to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner.

(XVIII) ADJUSTMENTS TO THE SUBSCRIPTION PRICE

In the event of a capitalization of profits or reserves, rights issue, subdivision or consolidation of Shares or reduction of capital of the Company whilst an Option remains exercisable or the New Share Option Scheme remains in effect, such corresponding alterations (if any) certified by the auditors for the time being or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares to which the New Share Option Scheme relates and/or the subscription price of the Option concerned and/or the number of Shares comprised in an Option granted under the New Share Option Scheme provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such adjustment; and (ii) no adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. In addition, in respect of any such adjustments, other than any adjustment made on a capitalization issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules and the supplementary guidance set out in the letter issued by the Stock Exchange dated 5 September 2005.

(XIX) CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised must be subject to the prior written consent of the relevant grantee and the approval of the Directors. Where any Option granted to a grantee is cancelled before it has been exercised and new Option is granted to the same grantee, the issue of such new Options may only be made with available unissued Options (excluding any cancelled Option) within the Scheme Mandate Limit or the limits approved by the Shareholders.

(XX) TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company may by resolution in general meeting at any time terminate the New Share Option Scheme and in such event no further Options shall be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

(XXI) RIGHTS ARE PERSONAL TO THE GRANTEE

An Option is personal to the grantee and shall not be transferable or assignable.

(XXII) LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the period referred to in paragraph (vi) above; and
- (bb) the expiry of the periods or dates referred to in paragraph (xii), (xiii), (xiv), (xv), (xvi) and (xvii) above.

(XXIII) MISCELLANEOUS

- (aa) The terms and conditions of the New Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the Options except with the approval of the Shareholders in general meeting.
- (bb) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (cc) The amended terms of the New Share Option Scheme or the Options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (dd) Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING



QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of QPL International Holdings Limited (the “**Company**”) will be held on Tuesday, 15 September 2015 at 10:30 a.m. at BEST WESTERN PLUS Hotel Hong Kong (previously named as Ramada Hong Kong Hotel) (Jasmine Room 3/F), 308 Des Voeux Road West, Hong Kong for the following purposes:

1. To receive and consider the Audited Financial Statements of the Company for the year ended 30 April 2015 and the Reports of the Directors and the Auditors thereon.
2. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company and to authorise the board of directors (the “**Board**” or “**Directors**”) of the Company to fix their remuneration.
3. To re-elect Mr. Li Tung Lok as an executive Director.
4. To re-elect Mr. Phen Hoi Ping Patrick as an executive Director.
5. To re-elect Ms. Tung Siu Ching as an executive Director.
6. To re-elect Mr. Wong Wai Man as a non-executive Director for a fixed term of not more than three years, commencing on the date of his re-election (being the date of this Annual General Meeting or date to which it is adjourned, as the case may be) and ending on the earlier of (i) the day immediately preceding the third anniversary of his re-election; or (ii) the time of his retirement by rotation pursuant to the Bye-laws of the Company.
7. To re-elect Mr. Yau Chi Hang as an independent non-executive Director for a fixed term of not more than three years, commencing on the date of his re-election (being the date of this Annual General Meeting or date to which it is adjourned, as the case may be) and ending on the earlier of (i) the day immediately preceding the third anniversary of his re-election; or (ii) the time of his retirement by rotation pursuant to the Bye-laws of the Company.
8. To authorise the Board to fix the Directors’ remuneration.

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass with or without modifications, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

9(A). **“THAT:**

- (i) subject to paragraph (iii), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.08 each in the capital of the Company (“**Shares**”) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of Shares allotted or agreed conditionally or unconditionally to be allotted, whether pursuant to an option or otherwise, by the Directors pursuant to the approval in paragraph (i), otherwise than pursuant to:
 - (a) a Rights Issue (as hereinafter defined); or
 - (b) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares; or
 - (c) an issue of Shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees and/or business associates of the Company or any subsidiaries and/or any other persons of Shares or rights to acquire Shares.

shall not exceed 20% of the aggregate nominal amount of the existing share capital of the Company in issue as at the date hereof and the said approval shall be limited accordingly; and

- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of the resolution until whichever is the earlier of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by law or the Company’s Bye-laws to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (c) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any relevant jurisdiction.”

9(B). “**THAT:**

- (i) the exercise by the Directors during the Relevant Period of all powers of the Company to repurchase its Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws and requirements of the Stock Exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of securities of the Company repurchased by the Company pursuant to paragraph (i) during the Relevant Period, shall be no more than 10% of the aggregate nominal amount of existing issued share capital of the Company as at the date of passing of this resolution and the authority pursuant to paragraph (i) shall be limited accordingly; and
- (iii) for the purpose of this resolution, “**Relevant Period**” means the period from the date of passing of this resolution until whichever is the earlier of:
 - (a) the conclusion of the next annual general meeting of the Company; or
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by law or the Company’s Bye-laws to be held; or
 - (c) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

9(C). “**THAT** conditional upon the resolutions set out in paragraphs 9(A) and 9(B) contained in the notice convening the meeting of which this resolution forms part (the “**Notice**”) being passed, the aggregate nominal amount of Shares repurchased by the Company after the date of passing this resolution (up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution) shall be added to the aggregate nominal amount of the share capital that may be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the resolution set out in paragraph 9(A) contained in the Notice.”

NOTICE OF ANNUAL GENERAL MEETING

10. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”) granting the approval for the listing of, and the permission to deal in, the ordinary shares of the Company (the “**Shares**”) to be issued pursuant to the exercise of the share options which may be granted under the share option scheme (the “**New Share Option Scheme**”), a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose, the New Share Option Scheme be and is hereby approved and adopted; and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including without limitation to:
- (a) to administer the New Share Option Scheme under which share options will be granted to the Eligible Participant (as defined in the New Share Option Scheme) eligible under the New Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the New Share Option Scheme;
 - (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”);
 - (c) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme and subject to the Listing Rules;
 - (d) to make application at appropriate time or times to the Stock Exchange, and any other stock exchanges on which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme; and
 - (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

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

Hong Kong, 12 August 2015

NOTICE OF ANNUAL GENERAL MEETING

*Head Office and Principal Place
of Business in Hong Kong:*

8th Floor, Hale Weal Industrial Building
22-28 Tai Chung Road
Tsuen Wan, New Territories
Hong Kong

Notes:

1. At the date of this notice, the Board comprises three Executive Directors, namely Mr. Li Tung Lok (Executive Chairman and Chief Executive), Mr. Phen Hoi Ping, Patrick and Ms. Tung Siu Ching, one Non-executive Director, namely Mr. Wong Wai Man and three Independent Non-executive Directors, namely Mr. How Sze Ming, Mr. Lee Kwok Wan and Mr. Yau Chi Hang.
2. In order to be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority, must be deposited with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment meeting (as the case may be). A form of proxy for use at the Annual General Meeting is enclosed herewith.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. A member entitled to attend and vote at the Annual General Meeting (or at any adjournment thereof) is entitled to appoint one or more proxies to attend the meeting and vote in his stead. A proxy need not be a member of the Company.
5. Where there are joint registered holders of any share, any one of such persons may vote at the Annual General Meeting (or at any adjournment thereof), 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 the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
6. At the Annual General Meeting (or at any adjournment thereof), the chairman will put each of the above resolutions to the vote by way of a poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The poll results will be published on the website of the Company at www.qpl.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk on 15 September 2015.
7. A circular containing the information regarding, inter alia, the Directors proposed to be re-elected, the general mandates to issue shares and repurchase shares of the Company and the adoption of the New Share Option Scheme, has been despatched to the shareholders of the Company.
8. The Chinese translation of this notice is for reference only. In case of any inconsistency, the English version shall prevail.