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QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

BUSINESS UPDATE AND CHANGE IN USE OF PROCEEDS

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

BUSINESS UPDATE

As set out in the Prospectus, the Company intended to apply the aggregate net proceeds from the Placing and the Open Offer for i) acquisition of land for the construction of a new factory, ii) purchase of new machinery for the new factory and iii) construction of a new factory under the timeline as below:

	2016	2016	2017	Total
	2nd Quarter	3rd Quarter	2nd Quarter	HK\$ million
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Acquisition of land	50.00	50.00	-	100.00
Purchase of new machinery	50.00	80.00	105.00	235.00
Construction of a new factory	80.00	100.00	122.77	302.77
	<u>180.00</u>	<u>230.00</u>	<u>227.77</u>	<u>637.77</u>

The Company has attempted to explore land located in Guangdong province or other places in the Southern China during the past few months but, as at date of this announcement, no concrete terms have been established nor have any legally-binding agreements been reached with any potential vendors of land for the construction of new factory. Therefore, the Board expects the Company could not meet the timeline indicated as set out in the Prospectus.

The aggregate net proceeds from the Placing and the Open Offer were approximately HK\$636.83 million (the “Total Proceeds”). The Company will continue to identify suitable land with favorable offer for the construction of new factory and assuming the Company could acquire a piece of land for the construction of new factory by the fourth quarter of 2016, the expected timeline for the cash deployment of the Total Proceeds has been revised as below:

	2016	2017	2017	Total
	4th Quarter	1st Quarter	4th Quarter	Total
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Acquisition of land	50.00	50.00	-	100.00
Purchase of new machinery	50.00	80.00	105.00	235.00
Construction of new factory	80.00	100.00	121.83	301.83
	<u>180.00</u>	<u>230.00</u>	<u>226.83</u>	<u>636.83</u>

CHANGE IN USE OF PROCEEDS

As at the date of this announcement, the Total Proceeds of approximately HK\$636.83 million were placed with banks. Having considered i) the delay in acquisition of land, ii) approximately HK\$226.83 million (the “Last Proceeds”) would not be utilized until the fourth quarter of 2017, iii) the purpose of enhancing the effective allocation of the financial resources of the Company, and iv) the interests of the Company and its Shareholders as a whole, the Board resolved to change the proposed use of the Last Proceeds for future possible short term investment opportunities as identified by the Company from time to time.

The Company will still implement the expansion plan as set out in the Prospectus. Once the Company identified and acquired a piece of land for the construction of new factory, the Board would allocate the Last Proceeds back to its intended use within one year.

As at the date of this announcement, no possible investment opportunities has been identified by the Company. Further announcement in relation to the use of Last Proceeds will be made as may be required pursuant to the relevant provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Hong Kong, 14 September 2016

As at the date of this announcement, 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 one Independent Non-executive Director, namely Mr. Yau Chi Hang.