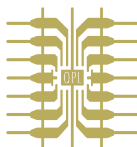


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QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

PROPOSED REDUCTION OF SHARE PREMIUM ACCUMULATED LOSSES SET OFF AND PROPOSED SPECIAL DIVIDEND

The Board intends to put forward proposals to the Shareholders at the SGM for the Reduction of Share Premium, the Accumulated Losses Set Off and the Proposed Special Dividend.

The Proposed Special Dividend is conditional upon (i) the approval of the Shareholders of the Reduction of Share Premium and the Accumulated Losses Set Off at the SGM; (ii) the approval of the Shareholders of the Proposed Special Dividend at the SGM; and (iii) compliance with the relevant requirements under the Listing Rules, the Bye-laws and the law of Bermuda.

A circular relating to the SGM containing, amongst others, details of the Reduction of Share Premium, the Accumulated Losses Set Off and the Proposed Special Dividend, together with the notice of SGM and the related proxy form, will be sent to the Shareholders in due course.

PROPOSED REDUCTION OF SHARE PREMIUM, ACCUMULATED LOSSES SET OFF AND PROPOSED SPECIAL DIVIDEND

Reduction of Share Premium

The Board intends to put forward a proposal to the Shareholders at the SGM for the Reduction of Share Premium pursuant to the Bye-laws and the law of Bermuda.

As at 31 October 2016, based on the unaudited condensed consolidated financial results of the Company, the total amount standing to the credit of the Share Premium Account and the unaudited accumulated losses of the Company was approximately HK\$696,688,000 and HK\$296,647,000, respectively. It is proposed that the Share Premium Account will be reduced by HK\$690,000,000 and the credit amount arising from the reduction will be transferred to the contributed surplus account of the Company.

Accumulated Losses Set Off

It is proposed that after the Reduction of Share Premium, an amount of HK\$296,647,000 standing to the credit of the contributed surplus account of the Company be applied to set off against the entire unaudited accumulated losses of the Company as at 31 October 2016.

The Proposed Special Dividend

The Board also intends to put forward a proposal to the Shareholders at the SGM to declare a special dividend of HK\$0.133 per Share to the Shareholders whose names appear on the register of members of the Company on Friday, 8 July 2017.

The payment of the Proposed Special Dividend will be made out of the contributed surplus account of the Company.

Shareholders are reminded that, in order to qualify for the Proposed Special Dividend, properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 6 July 2017, for registration.

For illustration purposes only, on the basis of a total of 2,256,265,322 Shares in issue as at the date of this announcement, the total amount of the Proposed Special Dividend to be paid by the Company in cash will be approximately HK\$300 million.

Effect of the Reduction of Share Premium

The Reduction of Share Premium does not involve any reduction in the authorized or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares.

Implementation of the Reduction of Share Premium will not, of itself, affect the underlying assets, liabilities, business operations, management or financial position of the Company or the interests of the Shareholders as a whole or the share capital of the Company other than related expenses incurred.

Conditions of the Reduction of Share Premium, the Accumulated Losses Set Off and the Proposed Special Dividend

The Reduction of Share Premium and the Accumulated Losses Set Off are conditional upon, inter alia, the following being fulfilled:

- (i) the passing of a special resolution by the Shareholders to approve the Reduction of Share Premium and the Accumulated Losses Set Off at the SGM;
- (ii) compliance with of the Companies Act, including (a) the publication of a notice of the Reduction of Share Premium in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the Effective Date; and (b) the Directors being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Reduction of Share Premium will be unable to pay its liabilities as they become due; and

- (iii) compliance with the relevant legal procedures and requirements under the Listing Rules, the Bye-laws and the law of Bermuda to effect the Reduction of Share Premium.

The Proposed Special Dividend is conditional upon, inter alia, the following being fulfilled:

- (i) the passing of a special resolution by the Shareholders to approve the Reduction of Share Premium and the Accumulated Losses Set Off at the SGM;
- (ii) the passing of a special resolution by the Shareholders to approve the Proposed Special Dividend at the SGM;
- (iii) compliance with of the Companies Act, including (a) the publication of a notice of the Reduction of Share Premium in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the Effective Date; and (b) the Directors being satisfied that on the Effective Date, there are no reasonable grounds for believing that the Company is, or after the Reduction of Share Premium will be unable to pay its liabilities as they become due; and
- (iv) compliance with the relevant legal procedures and requirements under the Listing Rules, the Bye-laws and the law of Bermuda to effect the Reduction of Share Premium and the Proposed Special Dividend.

Subject to the fulfillment of the above conditions, it is expected the Reduction of Share Premium and the Accumulated Losses Set Off will become effective on the business day immediately following the date of passing of the special resolution to approve the Reduction of Share Premium and the Accumulated Losses Set Off.

Subject to both the resolutions relating to the Reduction of Share Premium and the Accumulated Losses Set Off; and the Proposed Special Dividend having been approved by the Shareholders at the SGM, the Proposed Special Dividend is expected to be paid to the Shareholders on or before 31 July 2017.

Reasons for the Reduction of Share Premium, the Accumulated Losses Set Off and the Proposed Special Dividend

The Company is an investment holding company incorporated in Bermuda. The principal activities of the Group are the manufacture and sale of integrated circuit leadframes, heatsinks and stiffeners, securities trading and investment holding.

The Board considers that the Reduction of Share Premium and the Accumulated Losses Set Off will allow the Company to eliminate its accumulated losses, thus providing more flexibility for future dividend distribution plans.

In view of the strong cash position of the Group, the Board proposed to distribute the Proposed Special Dividend to the Shareholders as a reward for their continuing support. The Board considers that the Reduction of Share Premium, the Accumulated Losses Set Off and the Proposed Special Dividend are beneficial to the Company and its Shareholders as a whole.

GENERAL

A circular relating to the SGM containing, amongst others, details of the Reduction of Share Premium, the Accumulated Losses Set Off and the Proposed Special Dividend, together with the notice of SGM and the related proxy form, will be sent to the Shareholders in due course.

Shareholders and potential investors should note that the Reduction of Share Premium, the Accumulated Losses Set Off and the Proposed Special Dividend are conditional upon satisfaction of the conditions set out in this announcement. Therefore, the Reduction of Share Premium, the Accumulated Losses Set Off and the Proposed Special Dividend may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Accumulated Losses Set Off”	the application of an amount of HK\$296,647,000 standing to the credit of the contributed surplus account of the Company after the Reduction of Share Premium becoming effective to set off against the entire unaudited accumulated losses of the Company as at 31 October 2016
“Board”	the board of Directors
“Bye-laws”	the bye-laws from time to time adopted by the Company
“Company”	QPL International Holdings Limited (Stock code: 243), a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Companies Act”	The Companies Act 1981 of Bermuda (as amended)
“Directors”	the directors of the Company
“Effective Date”	the date on which the Reduction of Share Premium shall become effective, being (subject to compliance with the Companies Act) the business day immediately following the day of passing of the special resolution to approve the Reduction of Share Premium at the SGM
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Special Dividend”	the proposed special dividend of HK\$0.133 per Share to the Shareholders to be paid in cash out of the contributed surplus account of the Company on the basis set out in this announcement
“Reduction of Share Premium”	(i) the proposed reduction of the Share Premium Account by HK\$690,000,000; and (ii) the transfer of the credit amount arising from the reduction to the contributed surplus account of the Company
“SGM”	the special general meeting of the Company to be convened on Friday, 30 June 2017 to consider amongst others and, if thought fit, approve the Reduction of Share Premium, the Accumulated Losses Set Off and the Proposed Special Dividend
“Share Premium Account”	the share premium account of the Company
“Share(s)”	ordinary share(s) of HK\$0.08 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 19 May 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.