
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Qualipak International Holdings Limited**, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or to the transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities, including Shares, the First Warrants with Mandatory Exercise Rights and the Second Warrants with Mandatory Exercise Rights in the Company.

**Qualipak International Holdings Limited****確利達國際控股有限公司***(Incorporated in Bermuda with limited liability)***(Stock Code: 1332)**

**(1) PLACING OF UNLISTED WARRANTS WITH MANDATORY EXERCISE RIGHTS AND GRANT OF FIRST SPECIFIC MANDATE;
(2) PLACING OF UNLISTED WARRANTS WITH MANDATORY EXERCISE RIGHTS AND GRANT OF SECOND SPECIFIC MANDATE;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

A notice convening a special general meeting of Qualipak International Holdings Limited to be held at 7/F, China United Centre, 28 Marble Road, North Point, Hong Kong on Wednesday, 24 June 2015 at 10:00 a.m. is set out on pages 23 to 25 of this circular. A form of proxy for use at the meeting is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of Qualipak International Holdings Limited in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so desire.

9 June 2015

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DEFINITIONS

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

“Board”	the board of Directors
“Bonus Issue”	the issue of Bonus Shares to the qualifying Shareholders whose name appear on the register of members of the Company on the record date on the basis of one Bonus Share for every four existing Shares (as detailed in the circular of the Company dated 10 April 2015) on 3 June 2015
“Bonus Share(s)”	the new Share(s) allotted and issued pursuant to the Bonus Issue on 3 June 2015
“Business Day(s)”	any day (excluding Saturday, Sunday or public holiday) on which banks generally in Hong Kong are open for business
“Company”	Qualipak International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1332)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the director(s) of the Company
“First Completion”	the completion of the First Placing in accordance with the terms and conditions of the First Placing Agreement
“First Instrument”	the instrument constituting the First Warrants with Mandatory Exercise Rights to be executed by the Company on First Completion
“First Placee(s)”	professional investor(s) procured by the Placing Agent to subscribe for any of the First Warrants with Mandatory Exercise Rights pursuant to the First Placing Agreement
“First Placing”	the offer by way of a private placement of the First Warrants with Mandatory Exercise Rights procured by the Placing Agent to selected professional investors on the terms and conditions set out in the First Placing Agreement
“First Placing Agreement”	the conditional placing agreement dated 21 April 2015 entered into between the Company and the Placing Agent in relation to the First Placing as supplemented by three supplemental agreements dated 29 April 2015, 15 May 2015 and 8 June 2015 respectively
“First Placing Period”	the period commencing upon the execution of the First Placing Agreement and terminating at 5:00 p.m. on the fourteenth Business Day after the execution date of the First Placing Agreement (or such other date as may be agreed by the Company and the Placing Agent)

DEFINITIONS

“First Placing Price”	HK\$0.01 per First Warrant with Mandatory Exercise Rights
“First Specific Mandate”	the specific mandate for the issue of the First Warrant Shares to be granted to the Directors by the Independent Shareholders at the SGM
“First Subscription Period”	a period of 24 months after the issue of the First Warrants with Mandatory Exercise Rights for the subscription rights attaching to the First Warrants with Mandatory Exercise Rights to be exercised at any time during that period
“First Subscription Price”	an initial subscription price of HK\$0.56 per First Warrant Share (subject to adjustment) at which the holder of the First Warrants with Mandatory Exercise Rights may subscribe for new Shares
“First Warrant Share(s)”	the new Share(s) to be allotted and issued by the Company upon the exercise of the subscription rights attaching to the First Warrants with Mandatory Exercise Rights
“First Warrant(s) with Mandatory Exercise Rights”	287,531,980 unlisted transferrable warrant(s) to be issued by the Company under the First Placing pursuant to the First Placing Agreement and subject to the Mandatory Exercise Rights
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Shareholder(s)”	Shareholder(s) other than those who are required to abstain from voting at the SGM under the Listing Rules in relation to the resolution(s) approving the First Placing, the Second Placing, the grant of Specific Mandates and the transactions contemplated thereunder and their respective associates
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are independent of and not connected with the Company or any Director, chief executive, substantial Shareholder (as defined under the Listing Rules) or connected persons of the Company or any of its subsidiaries or any of their respective associates
“Last Trading Day No. 1”	21 April 2015, being the last trading day of the Shares on the Stock Exchange on the date of the First Placing Agreement

DEFINITIONS

“Last Trading Day No. 2”	13 May 2015, being the last trading day of the Shares on the Stock Exchange on the date of the Second Placing Agreement
“Latest Practicable Date”	8 June 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mandatory Exercise Rights”	the mandatory exercise rights exercisable by the Company to request all warrant holders who hold any unexercised warrants upon the expiry of the subscription period to exercise the subscription rights of the whole of the warrants held by such warrant holders to subscribe for the Shares at the subscription price
“Placing Agent”	Freeman Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Second Completion”	the completion of the Second Placing in accordance with the terms and conditions of the Second Placing Agreement
“Second Instrument”	the instrument constituting the Second Warrants with Mandatory Exercise Rights to be executed by the Company on Second Completion
“Second Placee(s)”	professional investor(s) procured by the Placing Agent to subscribe for any of the Second Warrants with Mandatory Exercise Rights pursuant to the Second Placing Agreement
“Second Placing”	the offer by way of a private placement of the Second Warrants with Mandatory Exercise Rights procured by the Placing Agent to selected professional investors on the terms and conditions set out in the Second Placing Agreement
“Second Placing Agreement”	the conditional placing agreement dated 13 May 2015 entered into between the Company and the Placing Agent in relation to the Second Placing as supplemented by a supplemental agreement dated 8 June 2015

DEFINITIONS

“Second Placing Period”	the period commencing upon the execution of the Second Placing Agreement and terminating at 5:00 p.m. on the fourteenth Business Day after the execution date of the Second Placing Agreement (or such other date as may be agreed by the Company and the Placing Agent)
“Second Placing Price”	HK\$0.01 per Second Warrant with Mandatory Exercise Rights
“Second Specific Mandate”	the specific mandate for the issue of the Second Warrant Shares to be granted to the Directors by the Independent Shareholders at the SGM
“Second Subscription Period”	a period of 24 months after the issue of the Second Warrants with Mandatory Exercise Rights for the subscription rights attaching to the Second Warrants with Mandatory Exercise Rights to be exercised at any time during that period
“Second Subscription Price”	an initial subscription price of HK\$0.608 per Second Warrant Share (subject to adjustment) at which the holder of the Second Warrants with Mandatory Exercise Rights may subscribe for new Shares
“Second Warrant Share(s)”	the new Share(s) to be allotted and issued by the Company upon the exercise of the subscription rights attaching to the Second Warrants with Mandatory Exercise Rights
“Second Warrant(s) with Mandatory Exercise Rights”	287,531,992 unlisted transferrable warrant(s) to be issued by the Company under the Second Placing pursuant to the Second Placing Agreement and subject to the Mandatory Exercise Rights
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended from time to time
“SGM”	the special general meeting of the Company to be held and convened for the purposes of considering, and if thought fit, approving the First Placing, the Second Placing and the grant of Specific Mandates
“Share(s)”	the share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandates”	the First Specific Mandate and the Second Specific Mandate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

CHARACTERISTICS OF UNLISTED WARRANTS WITH MANDATORY EXERCISE RIGHTS

Each of the First Warrants with Mandatory Exercise Rights and the Second Warrants with Mandatory Exercise Rights is distinguished from those standard unlisted warrants with the incorporation of the Mandatory Exercise Rights as terms of the warrants. Mandatory Exercise Right means the *mandatory exercise rights exercisable by the Company to request all warrant holders* of the First Warrants with Mandatory Exercise Rights and the Second Warrants with Mandatory Exercise Rights who hold any unexercised warrants upon the expiry of the subscription period *to exercise the subscription rights of the whole of the warrants held by them to subscribe for the Shares at the subscription price.*

For the principal terms of the First Warrants with Mandatory Exercise Rights and Second Warrants with Mandatory Exercise Rights, please refer to the pages 8 to 11 and 13 to 17 of this circular.

CAUTION STATEMENTS

The Mandatory Exercise Right is only a right which the Company may or may not exercise. If there remains any unexercised First Warrants with Mandatory Exercise Rights upon the expiry of the First Subscription Period and the Company exercises the Mandatory Exercise Rights, up to a maximum number of 287,531,980 First Warrant Shares will be issued, which represent (i) approximately 8.0% of the existing issued share capital of the Company; (ii) approximately 7.41% of the issued share capital as enlarged by the issue of all the First Warrant Shares; and (iii) approximately 6.90% of the issued share capital as enlarged by the issue of all the First Warrant Shares and the Second Warrant Shares (assuming all Second Warrants with Mandatory Exercise Rights are exercised) respectively.

The Mandatory Exercise Right is only a right which the Company may or may not exercise. If there remains any unexercised Second Warrants with Mandatory Exercise Rights upon the expiry of the Second Subscription Period and the Company exercises the Mandatory Exercise Rights, up to a maximum number of 287,531,992 Second Warrant Shares will be issued, which represent (i) approximately 8.0% of the existing issued share capital of the Company; (ii) approximately 7.41% of the issued share capital as enlarged by the issue of all the Second Warrant Shares; and (iii) approximately 6.90% of the issued share capital as enlarged by the issue of all the First Warrant Shares and the Second Warrant Shares (assuming all First Warrants with Mandatory Exercise Rights are exercised) respectively.

LETTER FROM THE BOARD



Qualipak International Holdings Limited

確利達國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1332)

Executive Directors:

Ms. Poon Ho Yee Agnes (*Managing Director*)
Mr. Lo Yuen Wa Peter
Ms. Sun Dixie Hui

Non-executive Director:

Dr. Lam How Mun Peter (*Chairman*)

Independent Non-executive Directors:

Mr. Chan Sze Hung
Mr. Ha Kee Choy Eugene
Mr. To Shing Chuen

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

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

7th Floor, China United Centre
28 Marble Road
North Point
Hong Kong

9 June 2015

To the Shareholders,

Dear Sir or Madam,

**(1) PLACING OF UNLISTED WARRANTS WITH MANDATORY
EXERCISE RIGHTS AND GRANT OF FIRST SPECIFIC MANDATE;
(2) PLACING OF UNLISTED WARRANTS WITH MANDATORY
EXERCISE RIGHTS AND GRANT OF SECOND SPECIFIC MANDATE;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcements of the Company dated 21 April 2015, 29 April 2015, 13 May 2015, 15 May 2015, 29 May 2015, 5 June 2015 and 8 June 2015 in relation to, among other things, the First Placing and the Second Placing.

The purpose of this circular is to provide you (i) further details relating to the First Placing; (ii) further details relating to the Second Placing; and (iii) a notice convening the SGM, in respect to the above matters.

LETTER FROM THE BOARD

THE FIRST PLACING AGREEMENT

Date

21 April 2015, as supplemented by three supplemental agreements dated 29 April 2015, 15 May 2015 and 8 June 2015 respectively (all after trading hours)

Parties

- (1) the Company
- (2) Placing Agent

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

Securities to be granted

Subject to the fulfillment of the conditions precedent to the First Placing Agreement, the Company has agreed to grant, and the Placing Agent has agreed to procure not less than six First Places (whose ultimate beneficial owners are Independent Third Parties) to subscribe for 287,531,980 First Warrants with Mandatory Exercise Rights, on a fully-underwritten basis, at the First Placing Price of HK\$0.01 per First Warrant with Mandatory Exercise Rights. It is expected that none of the First Places will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the First Completion.

Each of the First Warrants with Mandatory Exercise Rights carries the right to subscribe for one First Warrant Share at the First Subscription Price of HK\$0.56 per First Warrant Share (HK\$0.56 represents the adjusted price of HK\$0.70 after taking into account the effect of the Bonus Issue) (subject to adjustment).

Placing commission

The Placing Agent will receive a placing commission of 3% of any First Subscription Price for the First Warrants with Mandatory Exercise Rights received by the Company when any holder of the First Warrants with Mandatory Exercise Rights exercises the subscription rights. Such placing commission was determined after arm's length negotiations between the Company and the Placing Agent. The Directors are of the view that the placing commission is fair and reasonable.

Conditions precedent

Completion is subject to the fulfillment of the following conditions precedent:

- (i) the Listing Committee granting approval for the listing of and permission to deal in the First Warrant Shares which may fall to be issued and allotted upon exercise of the subscription rights attached to the First Warrants with Mandatory Exercise Rights; and
- (ii) the obligations of the Placing Agent thereunder not being terminated in accordance with the terms of the First Placing Agreement.

LETTER FROM THE BOARD

In the event that any of the above conditions precedent has not been satisfied or fulfilled on or before 30 June 2015 (or such later date as may be agreed between the Company and the Placing Agent in writing), the First Placing Agreement shall automatically terminate with immediate effect; and neither party shall have any claim against the other save for any antecedent breaches of the terms of the First Placing Agreement.

As stated in the announcement of the Company dated 8 June 2015, the Board proposes to seek Shareholders to approve the First Placing, issue of the First Warrants with Mandatory Exercise Rights and issue and allotment of the First Warrant Shares at the SGM. The Board will also seek the grant of the First Specific Mandate from the Independent Shareholders at the SGM. The above has been acknowledged and agreed by the Placing Agent.

First Completion

First Completion shall take place no later than the second Business Day after fulfillment of the conditions of the First Placing (or such later date as may be agreed between the Company and the Placing Agent).

First Placees

The First Warrants with Mandatory Exercise Rights shall be offered by the Placing Agent, on a fully-underwritten basis, to not less than six First Placees, which will be professional investors. The Placing Agent will use its best endeavour to ensure that the First Placees and their respective ultimate beneficial owners will be independent from the Company and not connected with the Company and its connected persons.

PRINCIPAL TERMS OF THE FIRST WARRANTS WITH MANDATORY EXERCISE RIGHTS

Number of First Warrants with Mandatory Exercise Rights

Pursuant to the First Placing Agreement, the Company agreed to grant 287,531,980 First Warrants with Mandatory Exercise Rights at the First Placing Price to the First Placees and the First Warrants with Mandatory Exercise Rights will be in registered form and constituted by the First Instrument.

The First Warrants with Mandatory Exercise Rights will rank *pari passu* in all respects among themselves.

First Placing Price

The First Placing Price is HK\$0.01 per First Warrant with Mandatory Exercise Rights.

Number of First Warrant Shares issuable

As at the Latest Practicable Date, the Company has a total of 3,594,149,825 Shares in issue. Assuming there is no further issue or repurchase of the Shares and there is no adjustment to the First Subscription Price, upon the full exercise of the subscription rights attaching to the First Warrants with Mandatory Exercise Rights, 287,531,980 First Warrant Shares will be issued, which represent approximately 8.0% of the existing issued share capital of the Company and approximately 7.41% of the issued share capital as enlarged by the issue of all the First Warrant Shares.

LETTER FROM THE BOARD

First Subscription Price

Each First Warrant with Mandatory Exercise Rights carries the right to subscribe for one First Warrant Share at the First Subscription Price of HK\$0.56 per First Warrant Share (HK\$0.56 represents the adjusted price of HK\$0.70 after taking into account the effect of the Bonus Issue) (subject to adjustment).

The First Subscription Price of HK\$0.56 per First Warrant Share represents:

- (i) a premium of approximately 2.94% over the closing price of HK\$0.544 per Share as quoted on the Stock Exchange on the Last Trading Day No. 1 (as adjusted by the effect of the Bonus Issue);
- (ii) a premium of approximately 9.03% over the average of the closing prices of HK\$0.5136 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day No. 1 (as adjusted by the effect of the Bonus Issue);
- (iii) a premium of approximately 15.13% over the average of the closing prices of HK\$0.4864 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the Last Trading Day No. 1 (as adjusted by the effect of the Bonus Issue).

Moreover, the aggregate of the First Placing Price and the First Subscription Price in sum of HK\$0.57 was set after considering that (i) the aggregate of the First Placing Price and the First Subscription Price represents a substantial premium of approximately 495.61% over the audited net asset value per Share of approximately HK\$0.0957 as at 31 December 2014; and (ii) the aggregate of the First Placing Price and the First Subscription Price represents a price-to-earnings ratio of approximately 158.3 times based on the earnings per Share of approximately HK\$0.0036 for the year ended 31 December 2014. The recent trading prices over the past two months are higher than those trading prices over the last two years. In view of the above, the Company considers that the First Placing Price of HK\$0.01 and First Subscription Price of HK\$0.56 are fair and reasonable.

As it is proposed to seek the grant of the First Specific Mandate by the Board from the Independent Shareholders at the SGM, the customary anti-dilutive adjustments will be fully incorporated in the First Instrument. Accordingly, the initial First Subscription Price is subject to customary anti-dilutive adjustments in certain events, including, among other things, share consolidation, share subdivision, capitalisation issue, capital distribution, rights issue and further issue of shares or convertible securities with conversion price less than the then market price provided that the First Subscription Price shall not at any time fall below the par value of the Shares.

Both the First Placing Price and the First Subscription Price are determined after arm's length negotiations between the Company and the Placing Agent, taking into account the recent trading prices of the Shares (adjusted by the effect of the Bonus Issue). The Board is of the opinion that the First Placing Price and the First Subscription Price are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

First Subscription Period

The subscription rights attaching to the First Warrants with Mandatory Exercise Rights can be exercised at any time during a period of 24 months after the issue of the First Warrants with Mandatory Exercise Rights.

Mandatory Exercise Rights

The Company has the right to request any holders of First Warrants with Mandatory Exercise Rights who hold any unexercised First Warrants with Mandatory Exercise Rights on the expiry of the First Subscription Period to fully exercise the subscription rights attaching to these unexercised First Warrants with Mandatory Exercise Rights. The objective of the Mandatory Exercise Rights is to ensure additional source of funding from the subscription of the First Warrants Shares could be obtained by the Company at its discretion in two years-time after the issue of the First Warrants with Mandatory Exercise Rights. The Directors are of the view that the incorporation of the Mandatory Exercise Rights is fair and reasonable.

Pursuant to the terms of the First Instrument, the Company is entitled to exercise the aforesaid Mandatory Exercise Rights within 14 Business Days after the expiry of the First Subscription Period by serving a notice to each of the holders of the First Warrants with Mandatory Exercise Rights who hold any unexercised First Warrants with Mandatory Exercise Rights upon the expiry of the First Subscription Period. Each of the holders of the First Warrants with Mandatory Exercise Rights to whom the said notice has been served shall within 7 days after the date of the notice exercise the subscription rights in respect of the whole of the First Warrants with Mandatory Exercise Rights held by such holder at the First Subscription Price and pay the exercise moneys to the Company.

Since the First Warrants with Mandatory Exercise Rights are subject to the terms and conditions of the First Instrument and the Mandatory Exercise Rights are provided in the First Instrument, the Mandatory Exercise Rights are binding on any holders of the First Warrant with Mandatory Exercise Rights (including any transferee(s) of the First Warrants with Mandatory Exercise Rights). Further, given that the First Placees and any transferees of the First Warrants with Mandatory Exercise Rights will be professional investors, it is expected that any holders of the First Warrants with Mandatory Exercise Rights would have sufficient financial resources to meet the subscription obligations upon the exercise of the Mandatory Exercise Rights by the Company.

If any holder of the First Warrants with Mandatory Exercise Rights refuses to exercise the subscription rights or fail to pay the exercise moneys to the Company, the Company is entitled to take legal action against such holder to enforce its contractual rights.

The Company will take into account of, inter alia, the following factors in determining whether to exercise the Mandatory Exercise Rights or not at the expiry of the First Subscription Period, namely, (i) the then funding needs of the Company; (ii) the number of unexercised First Warrants with Mandatory Exercise Rights upon the expiry of the First Subscription Period; (iii) the aggregate net proceeds that may be generated by exercising the Mandatory Exercise Rights; (iv) the market sentiment and trading price of Shares; and (v) the then availability of other sources of fund-raising (if needed) and the terms and conditions thereof.

LETTER FROM THE BOARD

Application for listing

No listing of the First Warrants with Mandatory Exercise Rights will be sought on the Stock Exchange or any other stock exchanges, but the Company has applied to the Listing Committee the listing of, and permission to deal in, the First Warrant Shares on the Stock Exchange.

Ranking of the First Warrant Shares

The First Warrant Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing issued Shares as at the date of allotment of the First Warrant Shares.

Transferability

Any transfer of the First Warrants with Mandatory Exercise Rights will be subject to prior approval of the Company and any transferee shall be a “professional investor” as defined under the SFO. The First Warrants with Mandatory Exercise Rights are transferable in whole or in part but at integral multiples of 1,000,000 First Warrants with Mandatory Exercise Rights.

Before giving any approval for transfer of the warrants, the Company will verify whether the potential transferee(s) is/are a “professional investor” in order to ensure it/he/she/they would have sufficient funds to subscribe the First Warrant Shares. The verification process includes but not limited to obtaining confirmation from potential transferee(s) on whether it/he/she/they is/are a “professional investor”. The Company is entitled to refuse any transfer request if it is not satisfied with the verification results.

The Company will carry out due diligence process to verify the financial ability of any potential transferee(s) in order to ensure it/he/she/they would have sufficient funds to subscribe the First Warrant Shares before approval of such transfer.

Voting rights of the First Warrants with Mandatory Exercise Rights

The holder(s) of the First Warrants with Mandatory Exercise Rights will not have any right to attend or vote at any meeting of the Company by virtue of them being the holders of the First Warrants with Mandatory Exercise Rights. The holder(s) of the First Warrants with Mandatory Exercise Rights shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

CAUTION STATEMENT

The Mandatory Exercise Right is only a right which the Company may or may not exercise. If there remains any unexercised First Warrants with Mandatory Exercise Rights upon the expiry of the First Subscription Period and the Company exercises the Mandatory Exercise Rights, up to a maximum number of 287,531,980 First Warrant Shares will be issued, which represent (i) approximately 8.0% of the existing issued share capital of the Company; (ii) approximately 7.41% of the issued share capital as enlarged by the issue of all the First Warrant Shares; and (iii) approximately 6.90% of the issued share capital as enlarged by the issue of all the First Warrant Shares and the Second Warrant Shares (assuming all Second Warrants with Mandatory Exercise Rights are exercised) respectively.

LETTER FROM THE BOARD

THE SECOND PLACING AGREEMENT

Date

13 May 2015, as supplemented by a supplemental agreement dated 8 June 2015 (after trading hours)

Parties

- (1) the Company
- (2) Placing Agent

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

Securities to be granted

Subject to the fulfillment of the conditions precedent to the Second Placing Agreement, the Company has agreed to grant, and the Placing Agent has agreed to procure not less than six Second Placees (whose ultimate beneficial owners are Independent Third Parties) to subscribe for, 287,531,992 Second Warrants with Mandatory Exercise Rights, on a fully-underwritten basis, at the Second Placing Price of HK\$0.01 per Second Warrant with Mandatory Exercise Rights. It is expected that none of the Second Placees will become a substantial Shareholder (as defined in the Listing Rules) of the Company immediately after the Second Completion.

Each of the Second Warrants with Mandatory Exercise Rights carries the right to subscribe for one Second Warrant Share at the Second Subscription Price of HK\$0.608 per Second Warrant Share (HK\$0.608 represents adjusted price of HK\$0.76 after taking into account of the effect of the Bonus Issue) (subject to adjustment).

Placing commission

The Placing Agent will receive a placing commission of 3% of any Second Subscription Price for the Second Warrants with Mandatory Exercise Rights received by the Company when any holder of the Second Warrants with Mandatory Exercise Rights exercises the subscription rights. Such placing commission was determined after arm's length negotiations between the Company and the Placing Agent. The Directors are of the view that the placing commission is fair and reasonable.

Conditions precedent

Completion is subject to the fulfillment of the following conditions precedent:

- (i) the passing of resolution(s) by the Shareholders at the SGM to approve the Second Placing Agreement and the transactions contemplated hereunder and the issue of the Second Warrants with Mandatory Exercise Rights and the grant of the Second Specific Mandate;
- (ii) the Listing Committee granting approval for the listing of and permission to deal in the Second Warrant Shares which may fall to be issued and allotted upon exercise of the subscription rights attached to the Second Warrants with Mandatory Exercise Rights; and
- (iii) the obligations of the Placing Agent thereunder not being terminated in accordance with the terms of the Second Placing Agreement.

LETTER FROM THE BOARD

In the event that any of the above conditions precedent has not been satisfied or fulfilled on or before 30 June 2015 (or such later date as may be agreed between the Company and the Placing Agent in writing), the Second Placing Agreement shall automatically terminate with immediate effect; and neither party shall have any claim against the other save for any antecedent breaches of the terms of the Second Placing Agreement.

Second Completion

Second Completion shall take place no later than the second Business Day after fulfillment of the conditions of the Second Placing (or such later date as may be agreed between the Company and the Placing Agent).

Second Placees

The Second Warrants with Mandatory Exercise Rights shall be offered by the Placing Agent, on a fully-underwritten basis, to not less than six Second Placees, which will be professional investors. The Placing Agent will use its best endeavour to ensure that the Second Placees and their respective ultimate beneficial owners will be independent from the Company and not connected with the Company and its connected persons.

PRINCIPAL TERMS OF THE SECOND WARRANTS WITH MANDATORY EXERCISE RIGHTS

Number of Second Warrants with Mandatory Exercise Rights

Pursuant to the Second Placing Agreement, the Company agreed to grant 287,531,992 Second Warrants with Mandatory Exercise Rights at the Second Placing Price to the Second Placees and the Second Warrants with Mandatory Exercise Rights will be in registered form and constituted by the Second Instrument.

The Second Warrants with Mandatory Exercise Rights will rank *pari passu* in all respects among themselves.

Second Placing Price

The Second Placing Price is HK\$0.01 per Second Warrant with Mandatory Exercise Rights.

Number of Second Warrant Shares issuable

As at the Latest Practicable Date, the Company has a total of 3,594,149,825 Shares in issue. Assuming there is no further issue or repurchase of the Shares and there is no adjustment to the Second Subscription Price, upon the full exercise of the subscription rights attaching to the Second Warrants with Mandatory Exercise Rights, 287,531,992 Second Warrant Shares will be issued, which represent approximately 8.0% of the existing issued share capital of the Company and approximately 6.90% of the issued share capital as enlarged by the issue of all the Second Warrant Shares and the First Warrant Shares.

LETTER FROM THE BOARD

Second Subscription Price

Each Second Warrant with Mandatory Exercise Rights carries the right to subscribe for one Second Warrant Share at the Second Subscription Price of HK\$0.608 per Second Warrant Share (HK\$0.608 represents adjusted price of HK\$0.76 after taking into account the effect of the Bonus Issue) (subject to adjustment).

The Second Subscription price of HK\$0.608 per Second Warrant Share represents:

- (i) the closing price of HK\$0.608 per Share as quoted on the Stock Exchange on the Last Trading Day No. 2 (as adjusted by the effect of the Bonus Issue);
- (ii) a discount of approximately 5.47% to the average of the closing prices of HK\$0.6432 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day No. 2 (as adjusted by the effect of the Bonus Issue);
- (iii) a discount of approximately 3.80% to the average of the closing prices of HK\$0.632 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the Last Trading Day No. 2 (as adjusted by the effect of the Bonus Issue).

The aggregate of the Second Placing Price of HK\$0.01 per Second Warrant with Mandatory Exercise Rights and the Second Subscription Price of HK\$0.608 per Second Warrant Share, i.e. HK\$0.618, represents:

- (i) a premium of approximately 1.64% over the closing price of HK\$0.608 per Share as quoted on the Stock Exchange on the Last Trading Day No. 2 (as adjusted by the effect of the Bonus Issue);
- (ii) a discount of approximately 3.92% to the average of the closing prices of HK\$0.6432 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day No. 2 (as adjusted by the effect of the Bonus Issue);
- (iii) a discount of approximately 2.22% to the average of the closing prices of HK\$0.632 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the Last Trading Day No. 2 (as adjusted by the effect of the Bonus Issue).

The initial Second Subscription Price was set at a higher price than the First Subscription Price after considering (i) the trading price on the date of the Second Placing Agreement (i.e. HK\$0.608 as adjusted by the effect of the Bonus Issue) was higher than that on the date of the First Placing Agreement (i.e. HK\$0.544 as adjusted by the effect of the Bonus Issue) and (ii) the trading price of the Shares was on a rising trend.

The initial Second Subscription Price of the Second Warrants with Mandatory Exercise Rights is subject to customary anti-dilutive adjustments in certain events, including, among other things, share consolidation, share subdivision, capitalisation issue, capital distribution, rights issue and further issue of shares or convertible securities with conversion price less than the then market price provided that the Second Subscription Price shall not at any time fall below the par value of the Shares.

LETTER FROM THE BOARD

Both the Second Placing Price and the Second Subscription Price are determined after arm's length negotiations between the Company and the Placing Agent, taking into account the recent trading prices of the Shares (adjusted by the effect of the Bonus Issue). The Board is of the opinion that the Second Placing Price and the Second Subscription Price are fair and reasonable and in the best interests of the Company and its Shareholders as a whole.

Second Subscription Period

The subscription rights attaching to the Second Warrants with Mandatory Exercise Rights can be exercised at any time during a period of 24 months after the issue of the Second Warrants with Mandatory Exercise Rights.

Mandatory Exercise Rights

The Company has the right to request any holders of Second Warrants with Mandatory Exercise Rights who hold any unexercised Second Warrants with Mandatory Exercise Rights on the expiry of the Second Subscription Period to fully exercise the subscription rights attaching to these unexercised Second Warrants with Mandatory Exercise Rights. The objective of the Mandatory Exercise Rights is to ensure additional source of funding from the subscription of the Second Warrants Shares could be obtained by the Company at its discretion in two years-time after the issue of the Second Warrants with Mandatory Exercise Rights. The Directors are of the view that the incorporation of the Mandatory Exercise Rights is fair and reasonable.

Pursuant to the terms of the Second Instrument, the Company is entitled to exercise the aforesaid Mandatory Exercise Rights within 14 Business Days after the expiry of the Second Subscription Period by serving a notice to each of the holders of the Second Warrants with Mandatory Exercise Rights who hold any unexercised Second Warrants with Mandatory Exercise Rights upon the expiry of the Second Subscription Period. Each of the holders of the Second Warrants with Mandatory Exercise Rights to whom the said notice has been served shall within 7 days after the date of the notice exercise the subscription rights in respect of the whole of the Second Warrants with Mandatory Exercise Rights held by such holder at the Second Subscription Price and pay the exercise moneys to the Company.

Since the Second Warrants with Mandatory Exercise Rights are subject to the terms and conditions of the Second Instrument and the Mandatory Exercise Rights are provided in the Second Instrument, the Mandatory Exercise Rights are binding on any holders of the Second Warrant with the Mandatory Exercise Rights (including any transferees of the Second Warrants with Mandatory Exercise Rights). Further, given that the Second Placees and any transferees of the Second Warrants with Mandatory Exercise Rights will be professional investors, it is expected that any holders of the Second Warrants with Mandatory Exercise Rights would have sufficient financial resources to meet the subscription obligations upon the exercise of the Mandatory Exercise Rights by the Company.

If any holder of the Second Warrants with Mandatory Exercise Rights refuses to exercise the subscription rights or fail to pay the exercise moneys to the Company, the Company is entitled to take legal action against such holder to enforce its contractual rights.

LETTER FROM THE BOARD

The Company will take into account of, inter alia, the following factors in determining whether to exercise the Mandatory Exercise Rights or not at the expiry of the Second Subscription Period, namely, (i) the then funding needs of the Company; (ii) the number of unexercised Second Warrants with Mandatory Exercise Rights upon the expiry of the Second Subscription Period; (iii) the aggregate net proceeds that may be generated by exercising the Mandatory Exercise Rights; (iv) the market sentiment and trading price of Shares; and (v) the then availability of other sources of fund-raising (if needed) and the terms and conditions thereof.

Application for listing

No listing of the Second Warrants with Mandatory Exercise Rights will be sought on the Stock Exchange or any other stock exchanges, but the Company has applied to the Listing Committee the listing of, and permission to deal in, the Second Warrant Shares on the Stock Exchange.

Ranking of the Second Warrant Shares

The Second Warrant Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing issued Shares as at the date of allotment of the Second Warrant Shares.

Transferability

Any transfer of the Second Warrants with Mandatory Exercise Rights will be subject to prior approval of the Company and any transferee shall be a “professional investor” as defined under the SFO. The Second Warrants with Mandatory Exercise Rights are transferable in whole or in part but at integral multiples of 1,000,000 Second Warrants with Mandatory Exercise Rights.

Before giving any approval for transfer of the warrants, the Company will verify whether the potential transferee(s) is/are a “professional investor” in order to ensure it/he/she/they would have sufficient funds to subscribe the Second Warrant Shares. The verification process includes but not limited to obtaining confirmation from potential transferee(s) on whether it/he/she/they is/are a “professional investor”. The Company is entitled to refuse any transfer request if it is not satisfied with the verification results.

The Company will carry out due diligence process to verify the financial ability of any potential transferee(s) in order to ensure it/he/she/they would have sufficient funds to subscribe the Second Warrant Shares before approval of such transfer.

Voting rights of the Second Warrants with Mandatory Exercise Rights

The holder(s) of the Second Warrants with Mandatory Exercise Rights will not have any right to attend or vote at any meeting of the Company by virtue of them being the holders of the Second Warrants with Mandatory Exercise Rights. The holder(s) of the Second Warrants with Mandatory Exercise Rights shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

LETTER FROM THE BOARD

CAUTION STATEMENT

The Mandatory Exercise Right is only a right which the Company may or may not exercise. If there remains any unexercised Second Warrants with Mandatory Exercise Rights upon the expiry of the Second Subscription Period and the Company exercises the Mandatory Exercise Rights, up to a maximum number of 287,531,992 Second Warrant Shares will be issued, which represent (i) approximately 8.0% of the existing issued share capital of the Company; (ii) approximately 7.41% of the issued share capital as enlarged by the issue of all the Second Warrant Shares; and (iii) approximately 6.90% of the issued share capital as enlarged by the issue of all the First Warrant Shares and the Second Warrant Shares (assuming all First Warrants with Mandatory Exercise Rights are exercised) respectively.

SPECIFIC MANDATES

The First Warrant Shares and Second Warrant Shares shall be allotted and issued under the Specific Mandates to be granted to the Directors by the Independent Shareholders at the SGM.

As at the Latest Practicable Date, other than the legal documents in relation to the First Placing and the Second Placing such as the placing agreements and the supplemental agreements, the Company has not entered, or contemplated to enter, into any other arrangements, agreements or understanding (whether formal or informal and whether express or implied) with the Placing Agent, the First Placees or the Second Placees.

The Company has considered placing of new Shares under general mandate and issue of new Shares at a discount price. Since (i) the issue of First Warrants with Mandatory Exercise Rights and First Warrant Shares are set at a premium price to the then current trading price of the Shares; and (ii) the issue of Second Warrants with Mandatory Exercise Rights and Second Warrant Shares are set at the same price as the then current trading price of the Shares, the Company no longer considers placing of new Shares under general mandate at a discount price.

The objective of the unlisted warrants is to provide sources of funding to the Company in two years-time from a group of professional investors. Therefore, the Company does not have such intention to apply listing for the warrants under the First Placing and the Second Placing. Moreover, the listing of warrants on the Stock Exchange will incur extra costs and timing for arrangement to the Company and might increase the volatility of the Shares of the Company if such warrants are publicly traded. After a balanced consideration, the Company does not propose to apply listing for the warrants under the First Placing and the Second Placing.

As at the Latest Practicable Date, other than the First Placing and the Second Placing disclosed as above, there are no other arrangement between each of the First Placees, the Second Placees and the Company and its connected person(s). Moreover, as at the Latest Practicable Date, each of the First Placees and the Second Placees was not in possession of any potential deals or information about the Company that crystalize over each of the First Subscription Period and the Second Subscription Period.

LETTER FROM THE BOARD

REASONS FOR THE ISSUE OF FIRST WARRANTS WITH MANDATORY EXERCISE RIGHTS AND SECOND WARRANTS WITH MANDATORY EXERCISE RIGHTS AND USE OF PROCEEDS

The principal activities of the Company are investment holding and provision of corporate management services and its subsidiaries are principally engaged in (i) the design, development, manufacture and sale of packaging products and point-of-sales display units and (ii) securities investment and trading business as well as money lending business.

The net proceeds from the First Placing are up to approximately HK\$2.88 million which will be used as the general working capital of the Group. Any additional proceeds from the issue of the First Warrant Shares upon the exercise of the subscription rights attaching to the First Warrants with Mandatory Exercise Rights in the future up to a maximum amount of approximately HK\$156 million (after deduction of expenses) will also be applied as the general working capital and as funds for future business development of the Group. The net price per First Warrant with Mandatory Exercise Rights is therefore approximately HK\$0.54.

The net proceeds from the Second Placing are up to approximately HK\$2.88 million which will be used as the general working capital of the Group. Any additional proceeds from the issue of the Second Warrant Shares upon the exercise of the subscription rights attaching to the Second Warrants with Mandatory Exercise Rights in the future up to a maximum amount of approximately HK\$168.6 million (after deduction of expenses) will also be applied as the general working capital and as funds for future business development of the Group. The net price per Second Warrant with Mandatory Exercise Rights is therefore approximately HK\$0.59.

The Company intends to apply the aforesaid total net proceeds from the First Placing and the Second Placing of approximately HK\$330 million in the following manner:

- (a) approximately HK\$55 million of the total net proceeds is to be allocated for general working capital of the Group which represents approximately 50% of the total operating expenses for the coming two years;
- (b) approximately HK\$75 million of the total net proceeds is to be allocated for development of securities investment and trading business as well as money lending business of the Group and such funding could increase the size of the existing securities investment to capture business and investment opportunities in coming two years; and
- (c) the remaining balance of approximately HK\$200 million of the total net proceeds is to be allocated for development of “GREEN Business” including but not limited to acquisition of companies engaged in light-emitting diode (LED) lighting business (“**Proposed Acquisition**”) (details of which are disclosed in the Company’s announcements dated 18 February 2015 and 20 April 2015) and other potential green businesses.

The Directors consider that the issue of the First Warrants with Mandatory Exercise Rights and Second Warrants with Mandatory Exercise Rights would attract the requisite funding for general working capital and future business development of the Group and would provide the Group with an opportunity to raise further funds when the First Placees and the Second Placees exercise the subscription rights attaching to the First Warrants with Mandatory Exercise Rights and the Second Warrants with Mandatory Exercise Rights.

LETTER FROM THE BOARD

The First Placing and the Second Placing are not inter-conditional to each other.

In view of the above, the Directors consider that the First Placing and the Second Placing are an appropriate method of raising further funds for the Company in the circumstances that the terms of the First Placing Agreement and the Second Placing Agreement which have been arrived at after arm's length negotiations between the Company and the Placing Agent are fair and reasonable and the First Placing Agreement and the Second Placing Agreement are in the interests of the Company and the Shareholders as a whole.

In view of the business development of the Company in the near future including but not limited to (i) securities investment and trading business as well as money lending business; and (ii) the Proposed Acquisition, the Company considers that the First Warrants with Mandatory Exercise Rights and the Second Warrants with Mandatory Exercise Rights (with a definitive subscription period of 2 years) would match the timing of the Company's funding requirement on above-mentioned businesses.

In the event that the total net proceeds raised from the issue and allotment of the First Warrant Shares and the Second Warrant Shares is less than the actual amount of proceeds needed or the timing of the issue and allotment of the First Warrant Shares and the Second Warrant Shares does not match the time when the above funding is needed, the amounts intended to be used for such purposes set forth above will be adjusted according to the actual amount of proceeds raised. Further announcement will be made by the Company in respect of any changes to the prescribed use of net proceeds as and when appropriate.

Save and except the business update, the proposed disposal and acquisition as disclosed in the announcements of the Company dated 8 January 2015, 16 February 2015, 30 March 2015, 20 April 2015 and 4 May 2015, as at the Latest Practicable Date, the Directors are not aware of any contemplated acquisitions, disposals or other matters during the exercise period of the warrants under the First Placing and the Second Placing (i.e. 24 months commencing from the date of issue of the First Warrants with Mandatory Exercise Rights and the Second Warrants with Mandatory Exercise Rights) that may have a material impact on the Company which is necessary for the Shareholders and the public to appraise the position of the Company.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

As at the Latest Practicable Date, save as the First Placing and the Second Placing, there is no other fund raising activities in the past twelve months.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 3,594,149,825 Shares in issue and no share options granted and outstanding, the Company has no other outstanding convertible securities, options, warrants or other derivatives in issue which are convertible or exchangeable into Shares.

The shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the full exercise of the subscription rights attaching to the First Warrants with Mandatory Exercise Rights (assuming that there will be no further changes in the issued share capital of the Company prior to such exercise and no further adjustment to the First Subscription Price); (iii) immediately after the full exercise of the subscription rights attaching to the Second Warrants with Mandatory Exercise Rights (assuming that there will be no further changes in the issued share capital of the Company prior to such exercise and no further adjustment to the Second Subscription

LETTER FROM THE BOARD

Price); and (iv) immediately after the full exercise of the subscription rights attaching to the First Warrants with Mandatory Exercise Rights and Second Warrants with Mandatory Exercise Rights (assuming that there will be no further changes in the issued share capital of the Company prior to such exercises and no adjustments to the First Subscription Price and the Second Subscription Price) are as follows:

Name of Shareholders	As at the Latest Practicable Date		Immediately upon issue of First Warrants with Mandatory Exercise Rights		Immediately upon issue of Second Warrants with Mandatory Exercise Rights		Immediately upon issue of First Warrants with Mandatory Rights and Second Warrants with Mandatory Exercise Rights	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
	Amazing Bay Limited (Note 1)	1,459,641,400	40.61%	1,459,641,400	37.60%	1,459,641,400	37.60%	1,459,641,400
Dr. Lam How Mun Peter (Note 2)	398,150	0.01%	398,150	0.01%	398,150	0.01%	398,150	0.01%
Ms. Poon Ho Yee Agnes (Note 2)	130,000	0.00%	130,000	0.00%	130,000	0.00%	130,000	0.00%
First Placees (Note 3)	-	0.00%	287,531,980	7.41%	-	0.00%	287,531,980	6.90%
Second Placees (Note 3)	-	0.00%	-	0.00%	287,531,992	7.41%	287,531,992	6.90%
Existing public Shareholders	2,133,980,275	59.38%	2,133,980,275	54.98%	2,133,980,275	54.98%	2,133,980,275	51.18%
	<u>3,594,149,825</u>	<u>100.00%</u>	<u>3,881,681,805</u>	<u>100.00%</u>	<u>3,881,681,817</u>	<u>100.00%</u>	<u>4,169,213,797</u>	<u>100.00%</u>

Notes:

- 1,459,641,400 of such Shares were held through Amazing Bay Limited, a company wholly-owned by Ms. Lo Ki Yan Karen (“Ms. Lo”). Accordingly, Ms. Lo was deemed to be interested in the same number of Shares held through Amazing Bay Limited.
- Dr. Lam How Mun Peter is the non-executive Director of the Company and Ms. Poon Ho Yee Agnes is the executive Director of the Company.
- Placees refer to those placees under the First Placing and the Second Placing and each of them is Independent Third Parties.
- The list of First Placees and the Second Placees are shown in the following table:

Name of placees	Number of First Warrants with Mandatory Exercise Rights	Number of Second Warrants with Mandatory Exercise Rights
Placee A	36,000,000	36,000,000
Placee B	36,000,000	36,000,000
Placee C	36,000,000	36,000,000
Placee D	36,000,000	36,000,000
Placee E	36,000,000	36,000,000
Placee F	36,000,000	36,000,000
Placee G	36,000,000	36,000,000
Placee H	35,531,980	35,531,992
TOTAL	<u>287,531,980</u>	<u>287,531,992</u>

LETTER FROM THE BOARD

As referred by the Placing Agent, a list of selected placees has been carefully selected for the First Placing and the Second Placing. According to the Placing Agent, those selected placees are professional investors. The Placing Agent has conducted due diligence and reviewed their securities portfolio and margin accounts that each of those selected placees is with a net worth of over HK\$40 million which is the aggregate amount of subscription money needed for the subscription of the First Warrants Shares and the Second Warrants Shares. Therefore, the Company considers that the placees would have the financial ability to settle the subscription price upon exercise of the First Warrants with Mandatory Exercise Rights and the Second Warrants with Mandatory Exercise Rights.

Moreover, such placees are exuberant of the business outlook of the Company and are thus confident about their investment in the Company and thus they participated in the First Placing and the Second Placing and they will acquire new Shares upon exercise of such subscription rights to the unlisted warrants. The Placing Agent has also conducted an interview with those placees that they have confirmed their intention to exercise the subscription rights during the subscription period. Since the First Placees are exuberant of the business outlook of the Company, they continue to participate in the Second Placing and subscribe the same number of warrants in the Second Placing.

To the best of the Placing Agent's knowledge, each of the Placees A to H has no relationships with each other.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 15.02(1) of the Listing Rules, the First Warrant Shares and the Second Warrant Shares to be issued upon exercise of the First Warrants with Mandatory Exercise Rights and the Second Warrants with Mandatory Exercise Rights must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the issued share capital of the Company at the respective time the First Warrants with Mandatory Exercise Rights and Second Warrants with Mandatory Exercise Rights are issued.

As at the Latest Practicable Date, there are no securities with subscription rights outstanding and not yet exercised and which are required to be aggregated with each of the First Warrant Shares and the Second Warrant Shares in accordance with Rule 15.02(1) of the Listing Rules. Assuming (i) the First Completion and issue of the First Warrant Shares at the First Subscription Price of HK\$0.56; (ii) the full exercise of the subscription rights attaching to the 287,531,992 Second Warrants with Mandatory Exercise Rights at the Second Subscription Price of HK\$0.608; and (iii) no Shares are further issued and repurchased, an aggregate of 575,063,972 the First Warrant Shares and Second Warrant Shares will be issued, representing (i) approximately 16.0% of the existing share capital of the Company as at the Latest Practicable Date; and (ii) approximately 13.80% of the issued share capital of the Company as enlarged by the allotment and issue of all the First Warrant Shares and Second Warrant Shares. Accordingly, the issue of each of the First Warrants with Mandatory Exercise Rights and the Second Warrants with Mandatory Exercise Rights is in compliance with Rule 15.02(1) of the Listing Rules.

Shareholders and potential investors should be aware of and take note that each of the First Completion and the Second Completion is subject to the fulfillment of the conditions precedent set out in the respective placing agreements. As each of the First Placing and the Second Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

SGM

The SGM will be convened and held to consider and, if thought fit, pass the relevant ordinary resolutions to approve, among other things, the First Placing, the Second Placing, the grant of Specific Mandates and the transactions contemplated thereunder.

LETTER FROM THE BOARD

In accordance to the Listing Rules, any Shareholder who has a material interest in the First Placing and the Second Placing shall abstain from voting on the resolutions to approve the First Placing and the Second Placing at the SGM. As at the Latest Practicable Date, the holding company of the Placing Agent, i.e. Freeman Financial Corporation Limited (being a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 279)) holds 112,550,000 Shares representing approximately 3.13% of the total issued share capital of the Company. If the Placing Agent and/or its associate holds any Shares as at the SGM, the Placing Agent is considered to have a material interest in the First Placing and the Second Placing and will abstain from voting in favour of the resolutions relating to the First Placing and the Second Placing to the extent of Shares it holds (if any). To the best of knowledge, information and belief of the Directors, save as disclosed, having made all reasonable enquiries, no other Shareholder has a material interest in the transactions contemplated under the First Placing and the Second Placing and will be required to abstain from voting on the relevant resolutions to approve the First Placing, the Second Placing and the grant of Specific Mandates at the SGM.

According to the Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, the resolutions put to the vote at the SGM will be taken by way of poll.

A notice convening the SGM to be held at 7th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at 10:00 a.m. on Wednesday, 24 June 2015 is set out on pages 23 to 25 of this circular. A form of proxy for use by the Shareholders at the SGM is enclosed.

Whether or not you intend to attend and vote at the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the SGM or any adjournment thereof should you so wish.

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 herein or this circular misleading.

RECOMMENDATION

The Board considers that each of the First Placing, the Second Placing and the grant of the Specific Mandates is in the interests of the Company and its Shareholders as a whole and therefore recommends the Shareholders to vote in favor of the relevant ordinary resolutions to be proposed at the SGM.

Yours faithfully,
By order of the Board of
Qualipak International Holdings Limited
Lam How Mun Peter
Chairman

NOTICE OF SGM



Qualipak International Holdings Limited

確利達國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1332)

NOTICE OF THE SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Qualipak International Holdings Limited (the “**Company**”) will be held at 7/F, China United Centre, 28 Marble Road, North Point, Hong Kong, on Wednesday, 24 June 2015 at 10:00 a.m. for the purpose of considering and, if though fit, passing with or without modification, the following ordinary resolutions of the Company:–

ORDINARY RESOLUTIONS

1. “**THAT**

- (a) the conditional placing agreement and three supplemental agreements dated 21 April 2015, 29 April 2015, 15 May 2015 and 8 June 2015 respectively ((collectively, the “**First Placing Agreement**”), a copy of each of which is marked “A”, “B”, “C” and “D” and signed by the chairman of the meeting for identification purpose has been tabled at the meeting) entered into between the Company, as issuer, and Freeman Securities Limited, as placing agent, in relation to the proposed placing of 287,531,980 unlisted warrants with mandatory exercise rights (the “**First Warrant(s) with Mandatory Exercise Rights**”), at the issue price of HK\$0.01 per First Warrant with Mandatory Exercise Rights, which confer the subscription rights to subscribe for new ordinary shares of par value of HK\$0.01 each in the capital of the Company (the “**Share(s)**”) within 24 months from the date of the issue of the First Warrants with Mandatory Exercise Rights at an initial subscription price of HK\$0.56 per share (“**First Warrant Share**”), subject to adjustment and to the terms and conditions set out in the instrument ((the “**First Instrument**”), a copy of which is marked “E” and signed by the chairman of the meeting for identification purpose has been tabled at the meeting), and all the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) subject to the fulfillment of the conditions of the First Placing Agreement, the creation and issue of the First Warrants with Mandatory Exercise Rights in accordance with the terms and conditions of the First Placing Agreement and the First Instrument be and are hereby approved, ratified and confirmed;

NOTICE OF SGM

- (c) subject to the fulfillment of the conditions of the First Placing Agreement, any one director of the Company (the “**Director**”) be and is hereby generally and specifically authorised to allot and issue such number of the Shares that may fall to be allotted and issued upon exercise of the subscription rights attaching to the First Warrants with Mandatory Exercise Rights (the “**First Specific Mandate**”). The First Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and
- (d) any one Director be and is hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he considers necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the First Placing Agreement and the transactions contemplated thereunder and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of such Director, in the interests of the Company and its shareholders as a whole.”

2. “**THAT:**

- (a) the conditional placing agreement dated 13 May 2015 and supplemental agreement dated 8 June 2015 ((collectively, the “**Second Placing Agreement**”), a copy of each of which is marked “F” and “G” and signed by the chairman of the meeting for identification purpose has been tabled at the meeting) entered into between the Company, as issuer, and Freeman Securities Limited, as placing agent, in relation to the proposed placing of 287,531,992 unlisted warrants with mandatory exercise rights (the “**Second Warrant(s) with Mandatory Exercise Rights**”), at the issue price of HK\$0.01 per Second Warrant with Mandatory Exercise Rights, which confer the subscription rights to subscribe for Share(s) within 24 months from the date of the issue of the Second Warrants with Mandatory Exercise Rights at an initial subscription price of HK\$0.608 per share (“**Second Warrant Share**”), subject to adjustment and to the terms and conditions set out in the instrument ((the “**Second Instrument**”), a copy of which is marked “H” and signed by the chairman of the meeting for identification purpose has been tabled at the meeting), and all the transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) subject to the fulfillment of the conditions of the Second Placing Agreement, the creation and issue of the Second Warrants with Mandatory Exercise Rights in accordance with the terms and conditions of the Second Placing Agreement and the Second Instrument be and are hereby approved, ratified and confirmed;
- (c) subject to the fulfillment of the conditions of the Second Placing Agreement, any one Director be and is hereby generally and specifically authorised to allot and issue such number of the Shares that may fall to be allotted and issued upon exercise of the subscription rights attaching to the Second Warrants with Mandatory Exercise Rights (the “**Second Specific Mandate**”). The Second Specific Mandate is in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and

NOTICE OF SGM

- (d) any one Director be and is hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he considers necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Second Placing Agreement and the transactions contemplated thereunder and to agree to such variation, amendments or waiver of matters relating thereto as are, in the opinion of such Director, in the interests of the Company and its shareholders as a whole.”

By order of the Board of
Qualipak International Holdings Limited
Lam How Mun Peter
Chairman

Hong Kong, 9 June 2015

Notes:

1. A member who is entitled to attend and vote at the special general meeting is entitled to appoint one or more proxies or a duly authorised corporate representative to attend and vote instead of him. A proxy need not be a member of the Company.
2. A form of proxy for use at the special general meeting is enclosed. 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 certified copy of that power or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude a member from attending the special general meeting and voting in person. In such event, his form of proxy will be deemed to have been revoked.
3. Where there are joint holders of any Shares, any one of such joint holders may vote, either in person or by proxy in respect of such Shares as if he/she was solely entitled hereto; but if more than one of such joint holders be present at the special general meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.