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Qualipak International Holdings Limited

確利達國際控股有限公司

(Incorporated in Bermuda with limited liability)

Website: www.qualipakhk.com

(Stock Code: 1332)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF AN ASSOCIATE

THE DISPOSAL AND THE S&P AGREEMENT

On 30 March 2015 (after trading hours), Onestep Enterprises, an indirect wholly owned subsidiary of the Company, as Vendor and Technical Group as Purchaser entered into the S&P Agreement pursuant to which Onestep Enterprises has sold and Technical Group has purchased the Sale Shares for a Consideration of HK\$6 million. Details of the S&P Agreement are set out under the paragraph headed “The S&P Agreement” below.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal, together with the transactions contemplated under the S&P Agreement, constitute a discloseable transaction of the Company under Rule 14.06 of the Listing Rules, and is subject to the reporting and announcement requirements, but exempt from Shareholders’ approval requirement, under Rule 14.33 of the Listing Rules.

THE DISPOSAL

On 30 March 2015 (after trading hours), Onestep Enterprises, an indirect wholly owned subsidiary of the Company, as Vendor and Technical Group as Purchaser entered into the S&P Agreement pursuant to which Onestep Enterprises has sold and Technical Group has purchased the Sale Shares for a Consideration of HK\$6 million.

THE S&P AGREEMENT

Set out below are the principal terms of the S&P Agreement:

Transaction date:

30 March 2015

Parties:

Vendor: Onestep Enterprises, an indirect wholly owned subsidiary of the Company

Purchaser: Technical Group

The Purchaser held 70% of the issued share capital of Technical International immediately before the entering into of the S&P Agreement. The principal activity of the Purchaser is investment holding.

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

Sale and purchase of the Sale Shares

The Sale Shares represents 30% of the issued share capital of Technical International as at the date of this announcement. The principal activity of Technical International is investment holding. The subsidiaries of Technical International engage in the design and trading of wine openers, knives and kitchenwares' business.

Consideration and manner of payment

The Consideration for the sale of the Sale Shares is HK\$6 million.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser, after taking into account the recent financial performance of the Disposal Group, and the deficit net worth of approximately HK\$1,444,000 as at 31 December 2014 standing in the accounts of the Disposal Group. The Directors consider that the terms of the S&P Agreement are fair and reasonable, on normal commercial terms and in the interests of the Group and the Shareholders as a whole.

Completion

Completion took place upon execution of the S&P Agreement.

INFORMATION ON TECHNICAL INTERNATIONAL

Technical International is a private limited company incorporated in the British Virgin Islands with current issued share capital of US\$10,000 which is owned as to 30% by Onestep Enterprises and as to 70% by Technical Group. Technical International is an investment vehicle of the Company. Its principal business activity is investment holding.

Based on the statement of financial position of Technical International as at 31 December 2014, the amount of net liabilities of Technical International was approximately HK\$1,444,000.

According to its audited accounts, the net profit before and after taxation and extraordinary items of Technical International are as follows:

	For the year ended 31 December	
	<u>2013</u>	<u>2012</u>
	<i>(HK\$ '000)</i>	<i>(HK\$ '000)</i>
Net profit before taxation and extraordinary items	82	2,011
Net profit after taxation and extraordinary items	82	2,011

Technical International has ceased to be an associate of the Group after Completion.

INFORMATION ON THE VENDOR, THE COMPANY AND THE GROUP

The principal activity of the Vendor is investment holding. The principal activities of the Company are investment holding and provision of corporate management services. The Group is principally engaged in the design, development, manufacture and sale of packaging products and point-of-sales display units.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In view of the Group's long term business plans and strategy as disclosed on the "Business Update" announcement dated 8 January 2015, the Group has been seeking to diversify its core business by developing new businesses in "Green Business" and treasury investment. The Group also aims to rationalize its assets by increasing their productivity and returns. Given that the Disposal Group had recorded the accumulated losses of approximately HK\$1,522,000 as of 31 December 2014, it contributed a very insignificant income to the Group over the years. The Directors consider that the Disposal will enable the Group to further streamline its business and commit the available resources of the Group to its existing and prospective businesses.

The Directors consider that the terms of the S&P Agreement have been negotiated on an arm's length basis and on normal commercial terms and terms thereof are fair and reasonable and in the best interests of the Group and the Shareholders as a whole.

FINANCIAL EFFECT AND THE USE OF THE PROCEEDS FROM THE DISPOSAL

Based on the preliminary assessment of the management accounts of Technical International as at 31 December 2014, the Group is expected to recognise a net profit of approximately HK\$5,650,000 (subject to audit) upon the Disposal, which represents the Consideration of HK\$6,000,000 and taking into consideration of the estimated transaction cost of approximately HK\$350,000 for the Disposal.

The net proceeds from the Disposal of approximately HK\$5,650,000 will be used by the Group for general working capital purposes.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal, together with the transactions contemplated under the S&P Agreement, constitute a discloseable transaction of the Company under Rule 14.06 of the Listing Rules, and is subject to the reporting and announcement requirements, but exempt from Shareholders' approval requirement, under Rule 14.33 of the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	Qualipak International Holdings Limited (Stock Code: 1332), a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the sale and purchase of the Sale Shares pursuant to the S&P Agreement
“Consideration”	consideration payable by the Purchaser to the Vendor for the Disposal pursuant to the S&P Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares subject to the terms and conditions of the S&P Agreement
“Disposal Group”	Technical International and its subsidiaries
“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 People’s Republic of China
“Independent Third Parties”	an individual(s) or a company(ies) which is/are independent of and not connected (within the meaning of the Listing Rules), the Directors, the chief executives and the substantial shareholders of the Company and its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Onestep Enterprises” or “Vendor”	Onestep Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company
“S&P Agreement”	the sale and purchase agreement dated 30 March 2015 entered into between Onestep Enterprises and Technical Group in relation to, amongst other things, the sale and purchase of 30% of the entire issued share capital in Technical International
“Sale Shares”	three thousand shares of US\$1.00 each in the issued share capital of Technical International, representing 30% of the issued share capital of Technical International as at the date of this announcement
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Technical Group” or “Purchaser”	Technical Group Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Technical International”	Technical International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability with 10,000 shares having been issued and fully paid as at the date of this announcement and 3,000 shares of which are held by Onestep Enterprises. The remaining 7,000 shares are held by Technical Group
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	percent

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

Hong Kong, 30 March 2015

As at the date of this announcement, the Board comprised the following Directors:-

Executive Directors

Ms. Poon Ho Yee Agnes (*Managing Director*)
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