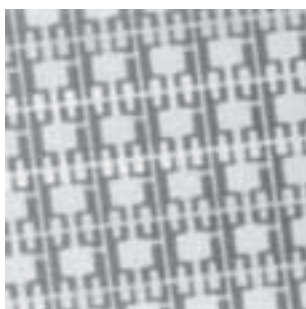


Chairman's Statement

The Board of Directors of QPL International Holdings Limited (the "Company") hereby presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended 31 October, 2002 together with comparative figures in respect of the trading results, changes in equity and the cash flow for the corresponding period in 2001, together with the latest announced balance sheet as at 30 April, 2002 as set forth below.



RESULTS FOR THE FIRST HALF YEAR

For the six months ended 31 October, 2002, the Group recorded a turnover of HK\$227 million, representing an 83% increase from HK\$124 million for the

corresponding period last year. The Group's unaudited consolidated net loss for the period under review amounted to HK\$272 million (2001: HK\$387 million), of which 79% was attributed to the share of losses of the Group's major associate, ASAT Holdings Limited ("ASAT"), amounting to HK\$216 million (2001: HK\$230 million).

Basic loss per share for the period under review was HK\$0.51 (2001: HK\$0.76). Basic additional loss per share, prepared on the basis of excluding certain non-recurring items, was HK\$0.16 (2001: HK\$0.32).

PERFORMANCE REVIEW

In line with the industry-wide recovery during the reporting period, the Group achieved a solid 42% growth in turnover from HK\$160 million reported in the

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second half year ended 30 April 2002 and an 83% growth in turnover from HK\$124 million reported in the same period last year. The ratio of loss from operations to the turnover was improved from 35% in the corresponding period last year to 13% in current period ended 31 October, 2002 as selling prices stabilised, higher margins on new products achieved and production efficiencies improved.

Net loss after tax for the six months ended 31 October, 2002 was HK\$272 million, a decrease of 30% as compared with same period a year ago of HK\$387 million. It is mainly attributed to the share of losses of an associate, ASAT, of HK\$216 million, which included the Group's share of the impairment loss arising on property, plant and equipment before tax of HK\$198 million.

QPL International Holdings Limited (「本公司」) 董事會謹此呈報本公司及其附屬公司 (「本集團」) 截至二零零二年十月三十一日止六個月之未經審核綜合財務報告，連同有關二零零一年同期之經營業績、權益變動及現金流量，與及最近期公佈於二零零二年四月三十日之資產負債表之比較數字載列如下。

上半年度業績

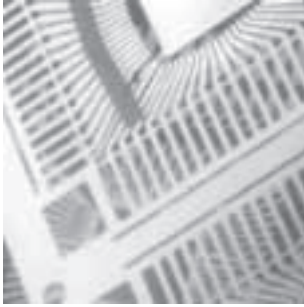
截至二零零二年十月三十一日止六個月，本集團之營業額為227,000,000港元，較去年同期之124,000,000港元上升83%。本集團於審閱期間之未經審核綜合虧損淨額為272,000,000港元 (二零零一年：387,000,000港元)，其中79%乃分佔本集團主要聯營公司ASAT Holdings Limited (「樂依文」) 之虧損216,000,000港元 (二零零一年：230,000,000港元) 所致。

審閱期間之每股基本虧損為0.51港元 (二零零一年：0.76港元)。未計若干非經常項目，額外每股基本虧損為0.16港元 (二零零一年：0.32港元)。

業務回顧

基於半導體行業於報告期間全面復甦，本集團之營業額由截至二零零二年四月三十日止下半年之160,000,000港元大幅增長42%，較去年同期之124,000,000港元營業額更上升83%。經營虧損與營業額之比率由去年同期之35%降至截至二零零二年十月三十一日止本期間之13%，主要是由於售價趨於穩定、新產品利潤較高加上生產效率提升所致。

截至二零零二年十月三十一日止六個月之除稅後虧損為272,000,000港元，較去年同期之387,000,000港元下降30%，主要是由於分佔聯營公司樂依文之虧損216,000,000港元 (其中包括本集團分佔其物業、機器及設備之除稅前減值虧損198,000,000港元) 所致。



MAJOR ASSOCIATE – ASAT

Consistent with the global recovery trend, ASAT also reported its achievement in three consecutive quarters of double-digit turnover growth and a significant improvement in its EBITDA to a positive US\$5.4 million (approximately HK\$42 million) in its latest reported second fiscal quarter ended 31 October, 2002 as compared with US\$0.8 million (approximately HK\$6 million) in its first fiscal quarter ended 31 July, 2002. Turnover for the six months ended 31 October, 2002 was US\$75.8 million (approximately HK\$591 million), up 46% from US\$52.1 million (approximately HK\$406 million) in the last corresponding period.

Net loss for the period under review was US\$66.3 million (approximately HK\$517 million) including a before tax charge of US\$59.2 million (approximately HK\$462 million) relating to impairment loss on certain assets as a result of its changes on its strategic direction towards higher-end technologies. As at 31 October, 2002, ASAT has US\$25.7 million (approximately HK\$200

million) cash on hand and debt of approximately US\$98 million (approximately HK\$764 million) maturing in 2006.

OUTLOOK

On 6 November, 2002, the Semiconductor Industry Association (“SIA”) released its 2002-2005 annual sales forecast, projecting an industry recovery with growth at approximately 20% over 2003 and 2004. SIA also forecasts compound annual growth rates in the range of 8 to 10 percent over the longer term, thereby continue to offer opportunities for significant growth potential in the industry.

On another front the Company’s relocation of its etching/plating operations to Dongguan, PRC is at an advance stage, with the move scheduled to be completed by the end of the current fiscal year. The Company is already reaping certain cost savings particularly in the area of staff cost, and it is expected that upon the move completed the estimated savings in costs in the region of HK\$120 million per annum will then be fully reflected in the results for the next fiscal year.

Having considered the potential of a substantial sales growth, the reduction in operating costs level, and the significant improvement in the trading results of ASAT, we are optimistic in the long term performance of the Group. In the near term however our outlook remains constrained by the uncertainties in the current market conditions.

FINANCIAL REVIEW

Over the period, the Group has drawn down a new 3-year secured loan of US\$6.1 million out of US\$8 million term loan facility with a second mortgage on the Group's property in Hong Kong and rental income from these properties and bank deposit of HK\$2 million as collateral. As a result, the bank loan borrowings increased to HK\$141 million (30 April, 2002: HK\$93 million) and the maturity profile is now spread over 4 years with HK\$16 million repayable in October 2003 and the rest within two to five years after the balance sheet date. All bank loans carry interest at a floating rate. The gearing ratio representing a ratio of total debts less cash on hand over shareholders' equity was then increased to 28% at the period end date (30 April, 2002: 13%).

主要聯營公司 — 樂依文

隨著全球經濟復甦之情況下，樂依文連續第三季在營業額方面取得雙位數字之增長，而截至二零零二年十月三十一日止最近期之第二個財政季度之除利息、稅項、折舊及攤銷前盈利亦較截至二零零二年七月三十一日止首個財政季度之800,000美元(約6,000,000港元)大幅增加至5,400,000美元(約42,000,000港元)。截至二零零二年十月三十一日止六個月之營業額為75,800,000美元(約591,000,000港元)，較去年同期之52,100,000美元(約406,000,000港元)上升46%。

審閱期間之虧損淨額為66,300,000美元(約517,000,000港元)，其中包括未除稅前開支59,200,000美元(約462,000,000港元)。該開支乃由於樂依文改變策略方針，轉為針對高科技業務而使若干資產出現減值虧損。樂依文於二零零二年十月三十一日持有現金25,700,000美元(約200,000,000港元)，另有約98,000,000美元(約764,000,000港元)之債項須於二零零六年到期償還。

前景

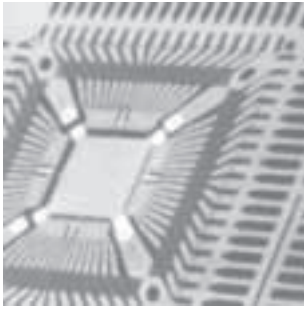
於二零零二年十一月六日，半導體工業協會(SIA)發表有關二零零二至二零零五年之年度銷售預測，預計業界會於二零零三及二零零四年間復甦，年增長率約為20%。SIA亦預計長期之複合年增長率將介乎8至10%，賦予業界長足增長之潛力。

另一方面，本公司將蝕刻及電鍍業務遷移至中國東莞之計劃已進入最後階段，預計遷移工作將於本財政年度終結前完成。本公司已在節省成本(尤其在僱員成本方面)取得成績，並估計當完成遷移後可每年節省約120,000,000港元，將可在下個財政年度全面反映其成果。

考慮到銷售大幅增長之機會、經營成本下降及樂依文大幅改善經營業績後，董事會對本集團之長遠表現感樂觀。然而，本集團之短期展望仍受現時市況之不明朗因素所限。

財務回顧

期內，本集團取得8,000,000美元為期三年之信貸額，並已支用6,100,000美元，該貸款以本集團香港物業之第二按揭、該等物業之租金收入及2,000,000港元銀行存款作抵押。因此，銀行借貸增至141,000,000港元(於二零零二年四月三十日：93,000,000港元)，而有關借貸將於四年內相繼到期，其中16,000,000港元須於二零零三年十月償還，餘額則須於結算日後二至五年內償還。所有銀行借貸均以浮動利率計息。以債項總額減所持現金除以股東權益計算之負債資產比率，於本期間終結時上升至28%(於二零零二年四月三十日：13%)。



During the period, the Group acquired property, plant and equipment at an aggregate cost of HK\$15 million, which was financed from internal sources.

On 24 October, 2002, the Company has entered into a top-up placement for 29 million new shares at a price of HK\$1.5 per share raising about HK\$41.2 million for the Group's general working capital purpose. The transaction was conditionally completed and recorded on 6 November, 2002. The exercise price of the outstanding warrants of the Company was then adjusted from HK\$6.25 to HK\$6.22 per share with effect from 7 November, 2002.

Except for the majority of the obligations to financial institutions which are denominated in Pound Sterling, most of our main income and expenditure are denominated in US dollars and Hong Kong dollars. No currency hedging has been made during the period.

Save as disclosed above, there was no material change in the Group's contingent liabilities and pledge of the Group's assets since 30 April, 2002.

EMPLOYEES AND REMUNERATION POLICY

At the end of the period, the Group, excluding its associate, had approximately 500 and 1,500 employees in Hong Kong and the PRC (approximately 710 and 400 employees in Hong Kong and the PRC as at 30 April, 2002) respectively. The Group continues to provide remuneration packages to employees with reference to prevailing market practices and past performance. In addition to basic remuneration, the Group also provides other benefits such as a discretionary bonus, a retirement scheme, a mandatory provident fund, medical schemes, a share option scheme and a staff training program to its employees.

APPRECIATION

I, on behalf of the Board, would take this opportunity to express my sincere gratitude to all our staff for their valuable contribution to the Group during this challenging period. Furthermore, I would also like to express appreciation to the Group's customers, business associates and shareholders for their unwavering support.

By Order of the Board

Li Tung Lok
Chairman

Hong Kong, 24 January, 2003

期內，本集團購置合共15,000,000港元之物業、機器及設備，而有關資金以內部資源撥付。

於二零零二年十月二十四日，本公司以每股1.5港元配售29,000,000股新股，集資約41,200,000港元作為本集團之一般營運資金。有關交易已於二零零二年十一月六日有條件完成及入帳。為此，本公司尚未行使之認股權證之行使價自二零零二年十一月七日起由每股6.25港元調整為每股6.22港元。

除向財務機構履行擔保責任之大部份數額以英鎊計算外，本集團之主要收入及支出均以美元及港元為單位。期內並無進行任何貨幣對沖活動。

除上文所述者外，自二零零二年四月三十日以來，本公司之或然負債及資產抵押並無重大變動。

僱員及酬金政策

期間終結時，本集團(不包括其聯營公司)在香港及中國分別僱用約500名及1,500名僱員(於二零零二年四月三十日：香港及中國分別僱用約710名及400名僱員)。本集團繼續參照市場現行慣例及僱員之過往表現為其提供薪酬福利。除基本薪金外，本集團亦提供其他福利，包括酌情花紅、退休計劃、強制性公積金、醫療計劃、購股權計劃及僱員培訓計劃。

致謝

在此充滿挑戰之期間，本人謹代表董事會向全體員工對本集團之寶貴貢獻致以衷心謝意。此外，本人亦藉此機會感謝本集團客戶、業務夥伴及股東之不斷支持。

承董事會命

主席
李同樂

香港，二零零三年一月二十四日