QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2009

FINANCIAL HIGHLIGHTS

	Six months ended 31 October		**Increase (Decrease)**	
	2009	2008	Amount	%
Turnover *(HK$'M)*	**145**	184	(39)	(21)
Profit (loss) for the period, before losses arising from changes in fair value of derivative financial instruments and impairment loss *(HK$'M)*	**9**	(18)	27	150
Profit (loss) for the period *(HK$'M)*	**9**	(45)	54	120
Earning (loss) per share *(HK$)*	**0.012**	(0.059)	0.071	120

	As at 31 October 2009	As at 30 April 2009	Decrease in %
Net debt gearing ratio (%) *(Note)*	**8%**	25%	17%

Note: Net debt gearing ratio is defined as total debts, including borrowings, trust receipt loans and bill payables less bank balances and cash over shareholders' equity.

UNAUDITED INTERIM RESULTS

The Board of Directors of QPL International Holdings Limited (the "Company") hereby presents the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31 October 2009 together with the comparative figures. The interim financial results and report have not been audited, but has been reviewed by the Company's auditors and audit committee.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 October 2009

		Six months ended 31 October	
		2009	2008
	NOTES	***HK$'M***	*HK$'M*
		(Unaudited)	(Unaudited)
Turnover	*3*	**145**	184
Other income	*4*	**9**	15
Changes in inventories of finished goods and work in progress		**4**	(3)
Raw materials and consumables used		**(68)**	(91)
Staff costs		**(32)**	(51)
Depreciation of property, plant and equipment		**(5)**	(11)
Impairment loss on property, plant and equipment		**–**	(20)
Losses arising from changes in fair value of derivative financial instruments		**–**	(7)
Other expenses		**(39)**	(53)
Interest on bank and other loans wholly repayable within five years		**(1)**	(1)
Share of loss of an associate		**(3)**	(6)
Profit (loss) before taxation		**10**	(44)
Taxation	*5*	**(1)**	(1)
Profit (loss) for the period		**9**	(45)
Other comprehensive income (expenses):			
Gains (losses) on fair value changes of available-for-sale investments		**2**	(14)
Total comprehensive income (expenses) for the period		**11**	(59)
		HK$	*HK$*
Earning (loss) per share	*7*		
Basic and diluted		**0.012**	(0.059)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 October 2009

	NOTES	**31 October 2009 HK$'M (Unaudited)**	30 April 2009 HK$'M (Audited)
Non-current assets			
Property, plant and equipment		**51**	53
Interest in an associate	*8*	**–**	–
Investment in convertible preferred shares – loan portion	*9*	**–**	–
Derivative financial instruments	*9*	**1**	1
Other receivable	*10*	**5**	5
		57	59
Current assets			
Inventories		**28**	27
Trade and other receivables	*11*	**51**	34
Trade receivable due from an associate	*12*	**6**	13
Deposits and prepayments		**9**	6
Available-for-sale investments	*13*	**6**	4
Bank balances and cash		**19**	13
		119	97
Current liabilities			
Trade and other payables	*14*	**29**	13
Trust receipt loans and bill payables		**4**	3
Deposits and accrued expenses		**32**	35
Taxation payable		**1**	–
Borrowings		**19**	24
		85	75
Net current assets		**34**	22
		91	81
Capital and reserves			
Share capital		**61**	61
Share premium and reserves		**23**	12
Equity attributable to the equity holders of the parent	*15*	**84**	73
Non-current liabilities			
Accrued expenses		**4**	4
Borrowings		**3**	4
		7	8
		91	81

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 ("HKAS 34") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2009, except as described below.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1 May 2009.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27	Cost of an Investment in a Subsidiary, Jointly (Amendments) Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKRS 5 that is effective for annual periods beginning or after 1 May 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 Segment Reporting, required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was geographical segments.

The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 3). The adoption of the new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

As part of Improvement to HKFRSs (2008), HKAS 1 Presentation of Financial Statements has been amended to clarify whether derivatives that are classified as held for trading in accordance with HKAS 39 Financial Instruments: Recognition and Measurement should be presented as current or non-current. The amendment requires derivatives that are held primarily for trading purposes to be presented as current regardless of their maturity dates. In addition, the amendment requires derivatives that are not held for trading purposes to be classified as current or non-current on the basis of their settlement dates. Prior to the amendment, the Group presented as current all derivative financial instruments that are classified as held for trading in accordance with HKAS 39. The amendment has had no impact on the Group's results for the reported periods. The amendment has resulted in derivative financial instruments with carrying amount of HK$1 million as at 30 April 2009 being reclassified from current to non-current assets. In addition, at 31 October 2009, derivatives financial instruments with carrying amount of HK$1 million have been presented as non-current based on their maturity dates.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[6]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC)-Int 18	Transfers of Assets from Customers[8]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[5]

1 Effective for annual periods beginning on or after 1 July 2009
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
3 Effective for annual periods beginning on or after 1 January 2010
4 Effective for annual periods beginning on or after 1 February 2010
5 Effective for annual periods beginning on or after 1 July 2010
6 Effective for annual periods beginning on or after 1 January 2011
7 Effective for annual periods beginning on or after 1 January 2013
8 Effective for transfer on or after 1 July 2009

* *IFRIC represents the International Financial Reporting Interpretations Committee.*

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition dates are on or after 1 May 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of these new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the amounts received and receivable for goods sold and services provided by the Group to outside customers.

The Group has adopted HKFRS 8 "Operating segments" with effect from 1 May 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. In the past, the Group's primary reporting format was geographical segments by location of customers. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor changed the basis of measurement of segment profit or loss.

	Turnover Six months ended 31 October		**Segment results Six months ended 31 October**	
	2009	2008	**2009**	2008
	HK$'M	*HK$'M*	***HK$'M***	*HK$'M*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
External sales				
United States of America	**11**	15	**2**	–
Hong Kong	**5**	13	**1**	(3)
Europe	**1**	2	**–**	–
The People's Republic of China (the "PRC")	**63**	74	**11**	3
Philippines	**10**	13	**1**	1
Singapore	**10**	16	**1**	1
Malaysia	**15**	19	**3**	1
Other Asian countries	**30**	32	**5**	2
	145	184	**24**	5

	Turnover Six months ended 31 October		Segment results Six months ended 31 October	
	2009	2008	**2009**	2008
	HK$'M	*HK$'M*	***HK$'M***	*HK$'M*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Intersegment sales				
United States of America	**1**	3	**–**	–
Hong Kong	**–**	10	**–**	–
PRC	**–**	3	**–**	–
	1	16	**–**	–
Total	**146**	200	**24**	5
Eliminations	**(1)**	(16)	**–**	–
Turnover and segment results	**145**	184	**24**	5
Depreciation of property, plant and equipment			**(5)**	(11)
Impairment loss on property, plant and equipment			**–**	(20)
Losses arising from changes in fair value of derivative financial instruments			**–**	(7)
Unallocated corporate expenses			**(8)**	(11)
Unallocated sundry income			**–**	1
Interest income for convertible preferred shares			**3**	6
Interest on bank and other loans wholly repayable within five years			**(1)**	(1)
Share of loss of an associate			**(3)**	(6)
Profit (loss) before taxation			**10**	(44)

Segment profit represents the profit earned by each segment without allocation of corporate management expenses, depreciation, impairment loss on property, plant and equipment, directors' emoluments, share of loss of an associate, losses arising from changes in fair value of derivative financial instruments, interest income for convertible preferred shares and finance costs. This is the measure reported to the Group's Chief Executive Officer for the purposes of resources allocation and performance assessment.

4. OTHER INCOME

	Six months ended 31 October	
	2009	2008
	HK$'M	*HK$'M*
	(Unaudited)	(Unaudited)
Interest income for convertible preferred shares *(Note)*	**3**	6
Sales of by-products and scrap	**5**	8
Sundry income	**1**	1
	9	15

Note: The interest income for the six months ended 31 October 2008 included approximately HK$4 million which was settled by the issuance of ordinary shares of ASAT Holdings Limited ("ASAT") in lieu of cash interest.

5. TAXATION

	Six months ended 31 October	
	2009	2008
	HK$'M	*HK$'M*
	(Unaudited)	(Unaudited)
The charge comprises:		
PRC Enterprise Income Tax	**(1)**	(1)

No provision for Hong Kong Profits Tax has been made as the individual companies comprising the Group operating in Hong Kong incurred tax losses for the period. Taxation arising in the PRC is calculated at the rates prevailing in the PRC.

6. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 31 October 2009 (2008: Nil).

7. EARNING (LOSS) PER SHARE

The calculation of basic and diluted earning (loss) per share is based on the earning attributable to the ordinary equity holders of the Company for the period of HK$9 million (2008: loss of HK$45 million) and the number of 767,353,549 (2008: the number of 767,353,549) ordinary shares in issue during the period.

The computation of diluted earnings per share for the six months ended 31 October 2009 does not assume the exercise of the Company's outstanding share options and warrants as the exercise price of the share options and warrants of the Company are higher than the average market price per share during that period.

The calculation of diluted loss per share for the six months ended 31 October 2008 did not assume the exercise of the share options and warrants of the Company because such assumption would result in a decrease in loss per share.

8. INTEREST IN AN ASSOCIATE

	At 31 October 2009 HK$'M (Unaudited)	At 30 April 2009 HK$'M (Audited)
Listed investment outside Hong Kong		
Cost of investment	**23**	23
Share of post-acquisition losses and reserves	**(23)**	(23)
	–	–
Quoted value of listed investment	**38**	12

Interest in an associate represents the Group's 43.22% (30 April 2009: 43.22%) interest in the issued ordinary share capital of ASAT, a limited company incorporated in the Cayman Islands and its shares listed on the NASDAQ prior to 17 April 2008. On 17 April 2008, ASAT announced that its American Depository Shares started trading on the Over-the-Counter Bulletin Board under the symbol "ASTTY. PK" and delisted from NASDAQ. ASAT and its subsidiaries are principally engaged in the provision of assembly and testing of integrated circuits in PRC.

On 2 March 2009, ASAT announced that it entered into forbearance agreements with its lenders. Under the terms of the forbearance agreements, the lenders agreed to forbear from exercising their rights and remedies against ASAT group arising out of certain designated defaults until 30 August 2009, subject to certain early termination events. On 1 June 2009, ASAT announced that it has reached an agreement in principle with a majority of its creditors on the terms of a consensual financial restructuring of the obligations of ASAT group. On 31 August 2009, ASAT announced that it has received an extension forbearance period of an additional 30 consecutive days till 29 September 2009. On 3 January 2010, ASAT announced that it had reached an agreement with a third party to sell all the shares of certain subsidiaries and intended to enter into a members' voluntary liquidation after the disposal of subsidiaries, as described in Note 16. The outcome of the proposed disposal and liquidation is still uncertain as of the date of the approval of these condensed consolidated financial statements. As a result, ASAT has not published any financial statements and not prepared any management accounts in accordance with HKFRSs issued by the HKICPA for the period ended 31 October 2009 and year ended 30 April 2009, other than the information disclosed below.

The following details have been extracted from the unaudited consolidated management accounts of ASAT and its subsidiaries prepared in accordance with HKFRSs issued by the HKICPA:

Results for the period

	Six months ended 31 October 2008 HK$'M (Unaudited)	Year ended 30 April 2008 HK$'M (Unaudited)
Turnover	**707**	1,215
Loss for the period	**(117)**	(128)

Financial position

	At 31 October 2008 HK$'M (Unaudited)	At 30 April 2008 HK$'M (Unaudited)
Non-current assets	**434**	485
Current assets	**376**	390
Current liabilities	**(485)**	(453)
Non-current liabilities	**(1,286)**	(1,302)
Net liabilities	**(961)**	(880)

	At 31 October 2008 HK$'M (Unaudited)	At 30 April 2008 HK$'M (Unaudited)
Group's share of net liabilities of the associate recognised in the condensed consolidated financial statements	**–**	–

The Group has recognised share of loss of the associate for the period ended 31 October 2009 amounting to HK$3 million (2008: HK$6 million). The recognition of the share of losses of the associate has resulted in reducing the carrying amount of the Group's net investment in ASAT, comprising the investment cost in and the loan portion of investment in convertible preferred shares of ASAT (Note 9), to nil as ASAT is in a net liabilities position. The Group has discontinued the recognition of its share of losses of ASAT. The unrecognised share of losses for the period ended 31 October 2008 amounted to HK$45 million and the accumulated unrecognised share of losses amounted to HK$428 million as at 31 October 2008.

9. INVESTMENT IN CONVERTIBLE PREFERRED SHARES/DERIVATIVE FINANCIAL INSTRUMENTS

	At 31 October 2009 HK$'M (Unaudited)	At 30 April 2009 HK$'M (Audited)
Investment in convertible preferred shares – loan portion	**46**	43
Less: Loss allocated in excess of cost of investment	**(46)**	(43)
	–	–

	At 31 October 2009 HK$'M (Unaudited)	At 30 April 2009 HK$'M (Audited)
Derivative financial instruments:		
Investment in convertible preferred shares – conversion option	**1**	1
Investment in warrants	**–**	–
	1	1

On initial recognition, the fair value of the straight loan feature of the convertible preferred shares was determined by using discounted cash flow calculation based upon a group of debt instruments with similar credit rating and structure and the observable financial data of ASAT. The effective interest rate for the straight loan feature was estimated at 36% per annum.

The fair value of the conversion option of the convertible preferred shares and the warrants were determined by using Binominal model.

Key inputs into the Binominal model were as follows:

	At 31 October 2009 (Unaudited)	At 30 April 2009 (Audited)
Share price	**USD 0.099**	USD 0.065
Volatility of share price	**144%**	150%
Risk free rate of conversion option	**0.64%**	0.91%
Risk free rate of warrants	**0.37%**	0.91%
Dividend yield	**0%**	0%
Option life of conversion option	**1.5 years**	2 years
Option life of warrants	**1 year**	1.5 years

As at 31 October 2009, the fair values of the conversion option of the convertible preferred shares and the warrants valued by Vigers Appraisal & Consulting Limited, a firm of independent international assets valuers, amounted to approximately US$0.15 million (equivalent to HK$1.2 million) and US$0.03 million (equivalent to HK$0.2 million) respectively.

10. OTHER RECEIVABLE

On 20 February 2009, the Group entered into an agreement to dispose of a wholly owned subsidiary, Talent Focus Industries Limited ("TFIL") and the disposal was completed before 30 April 2009. TFIL has agreed with the Group to repay the outstanding amount due to the Group of HK$7 million, which is unsecured and interest-free, in seven monthly equal installments from 1 September 2010 to 31 March 2011. The fair value of the other receivable at the date of disposal of TFIL was estimated to be HK$4 million which is determined based on a discount rate of 29.7%. The carrying amount at 31 October 2009 included imputed interest of HK$1 million.

11. TRADE AND OTHER RECEIVABLES

The Group allows a credit period ranging from 30 to 90 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for bad and doubtful debts at the end of the reporting period:

	At 31 October 2009 ***HK$'M*** **(Unaudited)**	At 30 April 2009 *HK$'M* (Audited)
Trade receivables		
Within 30 days	**19**	14
Between 31 and 60 days	**19**	7
Between 61 and 90 days	**9**	5
Over 90 days	**3**	5
	50	31
Proceeds receivable in respect of disposal of a subsidiary – due within one year	**–**	2
Other receivables	**1**	1
	51	34

12. TRADE RECEIVABLE DUE FROM AN ASSOCIATE

The Group allows a credit period of 30 days to its associate. The following is an aged analysis of trade receivable due from an associate, which is non-interest bearing, at the end of the reporting period:

	At 31 October 2009	At 30 April 2009
	HK$'M	*HK$'M*
	(Unaudited)	(Audited)
0–30 days	**5**	7
Over 30 days	**1**	6
	6	13

13. AVAILABLE-FOR-SALE INVESTMENTS

	At 31 October 2009	At 30 April 2009
	HK$'M	*HK$'M*
	(Unaudited)	(Audited)
Listed equity securities in Hong Kong, at fair value	**6**	4

As at the balance sheet date, the available-for-sale investments are stated at fair value, which have been determined based on bid prices quoted in an active market.

Particulars of the investee company are as follows:

Name of company	**Place of incorporation**	**Principal activities**	**Class of shares held**	**Proportion of nominal value of issued share capital held by the Group**
MelcoLot Limited ("Melco")	Cayman Islands	Provision of network infrastructure solutions and services	Ordinary shares	3.4%

Melco is a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

14. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the end of the reporting period:

	At 31 October 2009 *HK$'M* **(Unaudited)**	At 30 April 2009 *HK$'M* (Audited)
Trade payables		
Within 30 days	**7**	3
Between 31 and 60 days	**7**	2
Between 61 and 90 days	**5**	1
Over 90 days	**4**	2
	23	8
Other payables	**6**	5
	29	13

15. EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT

	Share Capital *HK$'M*	**Share Premium** *HK$'M*	**Contributed surplus** *HK$'M*	**Capital redemption reserve** *HK$'M*	**Investment revaluation reserve** *HK$'M*	**Share options reserve** *HK$'M*	**Accumulated losses** *HK$'M*	**Total** *HK$'M*
At 1 May 2008	61	148	40	12	16	4	(98)	183
Loss on fair value changes of available-for-sale investments	–	–	–	–	(14)	–	–	(14)
Loss for the period	–	–	–	–	–	–	(45)	(45)
At 31 October 2008	61	148	40	12	2	4	(143)	124
Loss for the period	–	–	–	–	–	–	(51)	(51)
Transfer to retained profits	–	–	–	–	–	(1)	1	–
At 30 April 2009	61	148	40	12	2	3	(193)	73
Gains on fair value changes of available-for-sale investments	–	–	–	–	2	–	–	2
Profit for the period	–	–	–	–	–	–	9	9
At 31 October 2009	61	148	40	12	4	3	(184)	84

16. **EVENTS AFTER THE END OF THE REPORTING PERIOD**

(a) As announced by the Company on 3 December 2009, the Company granted share options to subscribe for a total of 19,489,750 new ordinary shares of HK$0.08 each in the capital of the Company to certain eligible persons, under the share option scheme adopted by the Company on 29 November 2006. At the date of this report, the management of the Company is in the midst of considering the financial impact of such transaction.

(b) As announced by the Company on 3 January 2010, ASAT had reached an agreement with a third party to sell all the shares in ASAT Limited, a wholly owned subsidiary of ASAT, which was itself the indirect parent of ASAT Semiconductor (Dongguan) Limited, the only operating subsidiary of ASAT. The consideration for the disposal would be approximately US$44 million, subject to a downward post-closing adjustment of up to US$5 million which was calculated on the basis of working capital, debt and certain additional factors. The completion of the disposal was approved by the shareholders in the extraordinary general meeting of ASAT on 12 January 2010 but is still subject to the approval of the certain creditors of ASAT. ASAT intends to enter into a members' voluntary liquidation under the laws of the Cayman Islands after the completion of the disposal of ASAT Limited and ASAT does not believe the holders of its common stock and American Depository Shares will receive any proceeds from the distribution of assets upon liquidation. At the date of this report, an estimate of the financial impact of such transaction cannot be made.

CHAIRMAN'S STATEMENT

The Board of Directors of QPL International Holdings Limited (the "Company") hereby presents the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31 October 2009 together with comparative figures.

RESULTS FOR THE FIRST HALF YEAR

For the six months ended 31 October 2009, the Group's turnover decreased by 21.2% to HK$145 million, from HK$184 million for the corresponding period last year. The Group recorded an unaudited profit attributable to the ordinary equity holders of the Company for the period under review amounted to HK$9 million (2008: loss of HK$45 million) which represented a turnaround compared to the loss incurred for the corresponding period last year. This was attributable to the efforts of our Group to streamline our operations so as to improve operating efficiency, better materials usage and production yields thereby assisting us to withstand the impact of decreased demand for semiconductor products in the first half of financial year 2009/2010. The turnaround to the Group's unaudited profit has led the board of directors to consider that no further provisions need to be made on property, plant and equipment of the Group (2008: an impairment loss on property, plant and equipment of HK$20 million) for the period under review.

PERFORMANCE REVIEW

During the period under review, the financial crisis commencing in late 2008 continued to have an adverse impact to the demand of semiconductor products. Customer's adjustment to their inventory levels reduced sale orders received by the Group and has impacted our operations and utilization of production capacity. The Group's turnover decreased by 21% from HK$184 million for the corresponding period last year to HK$145 million for the period under review. In response to the unfavourable market environment, the Group implemented cost control measures to improve our production yield and adjusted our product mix to meet demands from customers with better margins. Due to the more efficient use of materials such as copper and silver and improved production yield, the ratio of material usage to turnover decreased from 49.5% last year to 46.9% for the period under review. The Group has also focused on reviewing the production capacity and labour force and thus identified areas for streamlining operation during this economic downtown. Further, following the disposal of TFIL, a formerly wholly owned subsidiary of the Group on 20 February 2009 and the cessation of taking up the share of loss of TFIL since 1 November 2008, the Group's staff costs and other expenses decreased by more than 37% and 26% for the period end 31 October 2009 compared to corresponding period in 2008. The Group's continuous efforts in containing operating costs, adjustment to product and customer mix associated with higher margins and fine-tuning labour force and operating scale, resulted in better operating profit margins which contributed to the turnaround compared to the loss incurred in the period ended 31 October 2008.

As a result, the profit attributable to the ordinary equity holders of the Company for the six months ended 31 October 2009 amounted to HK$9 million (2008: loss of HK$45 million). Basic earnings per share for the period under review was HK$0.012 (2008: loss per share of HK$0.059).

MAJOR ASSOCIATE – ASAT

Reference is made to the Company's announcement dated 3 January 2010 that ASAT announced, on 31 December 2009 US time, that its Board of Directors has reached an agreement (the "Agreement") with UTAC, to sell to UTAC all the shares in ASAT Limited, ASAT's wholly owned subsidiary, which is itself the indirect parent of ASAT Semiconductor (Dongguan) Limited, the only operating subsidiary of ASAT for a consideration of approximately US$45 million subject to a downward post-closing adjustment of up to US$5 million (the "Sale Process"). As part of the proposed transaction, UTAC will also purchase the rights to inter-company loans that have been made by ASAT and New ASAT (Finance) Limited (the "ASAT Finance") to ASAT Limited. ASAT Finance is a direct subsidiary of ASAT Limited and the issuer of the Existing Notes that have been guaranteed by ASAT. ASAT Limited intends to transfer the outstanding shares of ASAT Finance to ASAT prior to completion of the sale, such that ASAT Finance will become a direct subsidiary of ASAT and will not be transferred to UTAC as part of the Sale Process. ASAT has an intention to appoint a liquidator and to enter into a member's voluntary liquidation under the laws of the Cayman Islands after the completion of the disposal of ASAT Limited. ASAT does not believe that the holders of its common stock and American Depository Shares will receive any proceeds from the distribution of assets upon liquidation.

The disposal of all or substantially all of the assets of ASAT, as contemplated under the Agreement, has been approved by the shareholders of ASAT under an ordinary resolution at the extraordinary general meeting of ASAT held on 12 January 2010 and is subject to certain other conditions including the approvals of holders of a majority of the outstanding principal amount of the US$150 million principle amount of 9.25% Senior Notes due 2011 (the "Existing Notes") and of the lenders of the purchase money loan agreement (the "PMLA"). The outcome of the Sale Process is still uncertain as of the date of the approval of these condensed consolidated financial statements.

The disposal of ASAT Limited is not expected to have any material impact on the Company's consolidated financial statements. Following the completion of the Sale Process, ASAT Limited will become an independent third party of the Company. As at the date hereof, the Company continues to maintain arms-length business transactions with ASAT Limited. The Company also continues to receive purchase orders from ASAT Limited and the Company receives settlements from ASAT Limited according to relevant agreed credit terms. The Company will strengthen its resources in sales and marketing to broaden its customers base to explore potential for diversification of customers and markets.

The Group held 43.22% of ASAT with nil carrying value as at 31 October 2009. The Group has continued to derecognise its share of losses of ASAT for the period under review. During the period under review, no preferred share dividend declared or paid by ASAT. The unrecognised share of losses for the period ended 31 October 2008 and accumulated unrecognised share of losses as at 31 October 2008 amounted to HK$45 million and HK$428 million respectively. As ASAT has not, up to date of this report, published its financial statements for the period ended 31 October 2009 due to the uncertain outcome of the proposed disposal and liquidation, the Group cannot determine the unrecognised share of ASAT's losses for the period ended 31 October 2009 or its accumulated unrecognised share of ASAT's losses as at that date.

By reference to the closing price of American Depository Share ("ADS") of ASAT on the Over-the-Counter Bulletin Board at the balance sheet date, the market value of ASAT attributable to the Group as at 31 October 2009 was HK$38 million (30 April 2009: HK$12 million).

OUTLOOK

The Group remains mindful of uncertainties in the global economic recovery and risks in its operating environment brought by fierce competition and price pressure. As such, our marketing team continues to adopt a proactive approach to develop potential customers and to retain existing customers especially in seeking orders with satisfactory margins. The Group will pursue a strategy to penetrate high value-added product market and to improve our product quality to achieve greater pricing power and to build up a competitive edge. Further, the Group will allocate resources to technical research, development of innovative product design and new production technology to expand the variety of value-added products so as to better manage increasing demands from customers and to achieve sound profitability.

Following the consolidation of the semiconductor industry, the Group has experienced improvements in order bookings due to inventory rebuilding in recent months and moderate recovery in market demand. The Group will make every effort to move forward and implement the Group's strategies to achieve satisfactory returns for our shareholders.

FINANCIAL REVIEW

During the period under review, the Group continues to achieve an improvement in our cashflow position and reduced net gearing ratio significantly through aggressive reduction of working capital and capital expenditure and strengthen efforts in collection of receivables.

The total bank and cash balance increased to HK$19 million as at 31 October 2009 (30 April 2009: HK$13 million). The Group's total outstanding debts were reduced to HK$26 million as at 31 October 2009 (30 April 2009: HK$31 million) comprised of HK$4 million (30 April 2009: HK$3 million) trust receipt loans and bill payables, HK$7 million (30 April 2009: HK$12 million) other secured bank loans, HK$5 million (30 April 2009: HK$6 million) unsecured bank loan and HK$ 10 million (30 April 2009: HK$10 million) loans from a director. In terms of maturity, the borrowings of HK$23 million (30 April 2009: HK$27 million) or 88% of the total debts (30 April 2009: 87% of the total debts) will be repayable within one year. In terms of interest bearing, HK$16 million (30 April 2009: HK$21 million) was interest bearing and HK$10 million (30 April 2009: HK$10 million) was interest free. In terms of currency denomination, approximately 15% (30 April 2009: 10%) was denominated in US Dollar, approximately 27% (30 April 2009: 38%) was denominated in Renminbi ("RMB") and approximately 58% (30 April 2009: 52%) was denominated in Hong Kong Dollar.

Net debt gearing ratio has also been significantly improved to 8% as at the balance sheet date, as compared to 25% as at 30 April 2009.

DISTRIBUTION

The directors do not recommend the payment of an interim dividend for the period under review (2008: Nil).

PLEDGE OF ASSETS

At 31 October 2009, plant and equipment with a carrying value of approximately HK$22 million (30 April 2009: HK$24 million) were pledged to secure certain banking facilities, bank loan and other loans granted to the Group.

CAPITAL EXPENDITURE

During the period under review, the Group invested HK$3 million (2008: HK$4 million) in acquiring property, plant and equipment. This capital expenditure was wholly financed from internal resources.

EMPLOYEES AND EMOLUMENT POLICY

At 31 October 2009, the Group, other than ASAT, employed approximately 1,300 employees as compared to approximately 1,180 employees as at 30 April 2009. The Group continues to maintain its remuneration policy comprising salary and other benefits including share option scheme, as an integral part of Total Quality Management.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to building and maintaining high standards of corporate governance practices. The Company has adopted its own Code on Corporate Governance Practices (the "QPL Code") incorporating the principles and code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Throughout the six months ended 31 October 2009, the Company has applied the principles and complied with all the code provisions set out in the CG Code except for the deviations explained below.

Code Provision A.4.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Under the Bye-laws of the Company, directors of the Company (the "Directors") holding office as executive chairman and/or managing director are, by virtue of Bermuda law, exempted from retirement by rotation. As the executive Chairman of the board of Directors (the "Board"), Mr. Li Tung Lok is not subject to retirement by rotation. In order to comply with Code Provision A.4.2, Mr. Li has agreed to voluntarily retire and be re-elected at least once every three years. At the annual general meetings of the Company held on 29 November 2006 and 5 October 2009, Mr. Li voluntarily retired from office and was re-elected as executive Director. Mr. Li continues to act as the Chairman of the Board.

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Li Tung Lok has been the Chairman of the Board since the establishment of the Company in January 1989. Mr. Li has also served as chief executive officer of the Company (the "Chief Executive Officer") since December 2008. As the founder of the Group, Mr. Li's industry expertise and detailed understanding of the operations is highly regarded by the Company. Accordingly, vesting the roles of Chairman of the Board and Chief Executive Officer in Mr. Li adds significant value to the Company's business growth while enhancing the efficiency of decision-making process in response to the changing environment. Given all major decisions are reserved to the Board and a majority the Board members are independent non-executive Directors, the Company considers that there is adequate balance of power and authority in place between the Board and the management of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for dealings in the securities of the Company by Directors. All Directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standard set out in the Model Code and its code of conduct regarding directors' transactions throughout the six months ended 31 October 2009.

AUDIT COMMITTEE

The Audit Committee was established in April 2000 pursuant to the then Code of Best Practice of the Listing Rules.

Throughout the six months ended 31 October 2009 and up to the date of the interim report of the Company for the six months ended 31 October 2009, the Audit Committee consists of three independent non-executive Directors, namely, Mr. Sze Tsai To Robert (being the Chairman of the Audit Committee), Mr. Robert Charles Nicholson and Mr. Wong Chun Bong Alex. Mr. Sze Tsai To Robert and Mr. Wong Chun Bong Alex are qualified accountants with extensive experience in accounting, audit and financial matters.

The major roles and functions of the Audit Committee include:

– assisting the Board in fulfilling its responsibilities by providing independent review and supervision of the Group's financial reporting system, and effectiveness of the Group's internal control system;

– reviewing the Group's financial information; and

– reviewing the appointment of external auditors to ensure continuing auditor independence.

The interim report of the Company for the six months ended 31 October 2009 has been reviewed by the Audit Committee.

DISCLOSURE PURSUANT TO CHAPTER 13 OF THE LISTING RULES

At 31 October 2009, the Group has obtained secured borrowings of RMB5 million (equivalent to approximately HK$7 million) requiring an undertaking from Mr. Li Tung Lok, a director and a substantial shareholder of the Company, to maintain no less than 20% respectively of the issued shares of the Company throughout the loan period. Details are as follows:

Type	Outstanding amount	Revised tenure
Secured short term loan	RMB5 million	Three months ending in January 2010

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries of listed securities of the Company during the period.

PUBLICATION OF FINANCIAL INFORMATION

This announcement is published on the HKEx's website (http://www.hkex.com.hk) and the Company's website (http://www.qpl.com). The 2009/10 interim report of the Company containing all the information required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be published on the HKEx's website and the Company's website in due course.

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. Furthermore, I would also like to express appreciation to the Group's customers, business associates and shareholders for their continual support.

By Order of the Board
Li Tung Lok
Chairman

Hong Kong, 15 January 2010

As at the date of this announcement, the board of directors of the Company comprises of Messrs. Li Tung Lok (Chairman and Executive Director), Phen Hoi Ping Patrick (Executive Director), Robert Charles Nicholson (Independent Non-executive Director), Sze Tsai To Robert (Independent Non-executive Director) and Wong Chun Bong Alex (Independent Non-executive Director).