QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 243)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30TH APRIL, 2010

FINANCIAL HIGHLIGHTS

	Audited results for the year ended 30th April,		
	2010	2009	**Increase**
Turnover *(HK$'M)*	**325**	275	50
Profit (loss) for the year *(HK$'M)*	**23**	(96)	119
Earning (loss) per share *(HK$)*	**0.03**	(0.13)	0.16
EBITDA (LBITDA) *(HK$'M)* *(Note 1)*	**37**	(11)	48
	(Audited) As at 30th April, 2010	(Audited) As at 30th April, 2009	**Decrease**
Net debt gearing ratio *(%) (Note 2)*	**0%**	25%	(25%)

Notes :

1. Earning (loss) before interest, tax , depreciation and amortisation ("EBITDA (LBITDA)") is computed as profit (loss) before tax plus depreciation, finance costs, impairment losses, share of loss of an associate, interest income from convertible preferred shares and losses arising from changes in fair value of derivative financial instruments.

2. Net debt gearing ratio is defined as total debts, including borrowings, trust receipt loans and bills payable less bank balances and cash over shareholders' equity.

The Board of Directors of QPL International Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30th April, 2010 together with the comparative figures for 2009 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH APRIL, 2010

	NOTES	**2010** *HK$'M*	**2009** *HK$'M*
Turnover	*3*	325	275
Other income	*4*	22	22
Exchange loss, net		(2)	(3)
Changes in inventories of finished goods and work in progress		1	(4)
Raw materials and consumables used		(153)	(135)
Staff costs		(74)	(76)
Depreciation of property, plant and equipment		(10)	(21)
Impairment loss on property, plant and equipment		–	(50)
Losses arising from changes in fair value of derivative financial instruments		(1)	(12)
Gain on disposal of a subsidiary		–	4
Other expenses		(76)	(85)
Interest on bank and other loans wholly repayable within five years		(1)	(1)
Share of loss of an associate		(6)	(9)
Profit (loss) before taxation		25	(95)
Taxation	*5*	(2)	(1)
Profit (loss) for the year		23	(96)
Other comprehensive income (expenses):			
Losses on fair value changes of available-for-sale investments		–	(14)
Total comprehensive income (expenses) for the year		23	(110)
		HK$	*HK$*
Earning (loss) per share	*6*		
Basic and diluted		0.03	(0.13)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30TH APRIL, 2010

	NOTES	2010 HK$'M	2009 HK$'M (Restated)	1st May, 2008 HK$'M (Restated)
Non-current assets				
Property, plant and equipment		51	53	122
Interest in an associate	*7*	–	–	–
Investment in convertible preferred shares – loan portion	*8*	–	–	–
Derivative financial instruments	*8*	–	1	13
Other receivable	*9*	–	5	–
		51	59	135
Current assets				
Inventories		33	27	38
Trade and other receivables	*10*	76	34	57
Trade receivable due from an associate	*11*	–	13	27
Deposits and prepayments		9	6	6
Available-for-sale investments	*12*	4	4	18
Bank balances and cash		19	13	22
		141	97	168
Current liabilities				
Trade and other payables	*13*	35	13	38
Trust receipt loans and bill payables		3	3	10
Deposits and accrued expenses		35	35	45
Taxation payable		1	–	–
Borrowings		12	24	23
Obligation under a finance lease		1	–	–
		87	75	116
Net current assets		54	22	52
		105	81	187
Capital and reserves				
Share capital		61	61	61
Share premium and reserves		38	12	122
Equity attributable to owners of the Company	*14*	99	73	183
Non-current liabilities				
Accrued expenses		4	4	4
Borrowings		2	4	–
		6	8	4
		105	81	187

NOTES :

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of the annual report.

The financial statements are presented in Hong Kong dollars ("HK$") that is different from the functional currency of the Company which is United States dollars ("USD") as the directors of the Company control and monitor the performance and financial position of the Company by using HK$. During the year ended 30th April, 2010, the directors reassessed the Company's functional currency and considered that the functional currency of the Company should be changed from HK$ to USD starting from 1st May, 2009 as USD has become the currency that mainly influences the operation of the Group's significant entities.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are the manufacture and sale of integrated circuit leadframes, heatsinks and stiffeners and investment holding.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

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 (Amendments)	Cost of an Investment in a Subsidiary, Jointly 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
HK (IFRIC) – Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

In addition, the adoption of HKAS 1 (Revised 2007) has resulted in the presentation of a third consolidated statement of financial position as at 1st May, 2008 as the Group has reclassified items in its financial statements during the current financial year (see below).

Amendments to HKAS 1 Presentation of Financial Statements

As part of Improvements 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 date. Prior to the amendment, the Group presented, as current, all derivatives 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 amounts of HK$13 million and HK$1 million as at 1st May, 2008 and 30th April, 2009 being reclassified from current to non-current.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be prepared 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 by location of customers. The directors considered that there was only one business segment, being manufacture and sale of integrated circuit leadframes.

The application of HKFRS 8 has not resulted in a redesignation of the Group's operating segments as compared with the primary segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment revenue, segment profit or loss and segment assets, except that the Group's liabilities have not been reported segmentally (see Note 3).

Improving disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provisions set out in the amendments.

HKAS 23 (Revised 2007) Borrowing Costs

In previous years, the Group expensed all borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. HKAS 23 (Revised 2007) removes the option previously available to expense all borrowing costs when incurred. The adoption of HKAS 23 (Revised 2007) has resulted in the Group changing its accounting policy to capitalise all such borrowing costs as part of the cost of the qualifying asset. The Group has applied the revised accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1st May, 2009 in accordance with the transitional provisions in HKAS 23 (Revised 2007). As the revised accounting policy has been applied prospectively from 1st May, 2009, this change in accounting policy has not resulted in restatement of amounts reported in respect of prior accounting periods. The revised standard has had no impact on the Group's results for the reported periods.

The Group has not early applied the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[3]
HKAS 24 (Revised)	Related Party Disclosures[7]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[5]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[4]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[6]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[4]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[8]
HK (IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[7]
HK (IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[1]
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[6]

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

The adoption of HKFRS 3 (Revised) may affect the Group's business combination for which the acquisition date is on or after 1st May, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in a Group's ownership interest in a subsidiary.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1st May, 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of Group's financial assets.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

3. TURNOVER AND SEGMENTAL INFORMATION

Turnover represents the amounts received and receivable for goods sold by the Group to outside customers less sales returns and discounts.

Segmental information

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1st May, 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") for the purpose of allocating resources to segments and assessing 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 returns 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 segment was geographical segments by location of customers. The adoption of HKFRS 8 has not resulted in a redesignation of the Group's operating segment as compared with the primary segment determined in accordance with HKAS 14 nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss and segment assets. Segment liabilities were not presented as such information was not reported to the CODM.

Under HKFRS 8, reported segment information is based on internal management reporting information that is regularly reviewed by the executive directors, being the CODM of the Group.

The customers of the Group are currently located in the United States of America (the "USA"), Hong Kong, Europe, the People's Republic of China (the "PRC"), Philippines, Malaysia, Singapore and other Asian countries (which represents aggregation of other non-reportable operating segments under HKFRS 8). Consistent with prior years, segment information reported externally was analysed on the basis of the location of the customers, which is the information reported to the CODM, for the purposes of resources allocation and performance assessment of each location.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Turnover		**Segment results**	
	2010	**2009**	**2010**	**2009**
	HK$'M	*HK$'M*	*HK$'M*	*HK$'M*
External sales				
USA	30	23	5	1
Hong Kong	11	22	1	(1)
Europe	1	2	–	–
PRC	136	113	23	(4)
Philippines	20	17	4	–
Malaysia	34	30	6	–
Singapore	20	23	4	1
Other Asian countries	73	45	13	2
	325	275	56	(1)

	Turnover		Segment results	
	2010	**2009**	**2010**	**2009**
	HK$'M	*HK$'M*	*HK$'M*	*HK$'M*
Intersegment sales				
USA	3	5	–	–
Hong Kong	–	5	–	–
PRC	–	9	–	–
	3	19	–	–
Segment total	328	294	56	(1)
Eliminations	(3)	(19)	–	–
Group's revenue and segment results	325	275	56	(1)
Depreciation of property, plant and equipment			(10)	(21)
Impairment loss on property, plant and equipment			–	(50)
Losses arising from changes in fair value of derivative financial instruments			(1)	(12)
Imputed interest income on non-current interest-free other receivable			1	1
Gain on disposal of a subsidiary			–	4
Interest income for convertible preferred shares			6	9
Unallocated corporate management expenses			(20)	(15)
Interest on bank and other loans wholly repayable within five years			(1)	(1)
Share of loss of an associate			(6)	(9)
Profit (loss) before taxation			25	(95)

The accounting policies of the operating segment are the same as the Group's accounting policies. 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, imputed interest income on non-current interest-free other receivable, interest income for convertible preferred shares, gain on disposal of a subsidiary and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

4. OTHER INCOME

	2010	**2009**
	HK$'M	*HK$'M*
Interest income for convertible preferred shares *(Note)*	6	9
Imputed interest income on non-current interest-free other receivable	1	1
Sales of by-products and scrap	14	11
Sundry income	1	1
	22	22

Note: In 2009, the amount included approximately HK$4 million interest income from convertible preferred shares, which was settled in form of ordinary shares of ASAT, the Company's associate, in lieu of cash.

5. TAXATION

	2010	**2009**
	HK$'M	*HK$'M*
The charge comprises:		
PRC Enterprise Income Tax	(2)	(1)

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax has been made as one of the subsidiaries' assessable profit generated in Hong Kong is wholly absorbed by tax losses brought forward and the other subsidiaries operating in Hong Kong incur tax losses for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

6. EARNING (LOSS) PER SHARE

The calculation of the basic and diluted earning (loss) per share attributable to the owners of the Company is based on the following data:

	2010	**2009**
Profit (loss) for the purposes of basic and diluted earning (loss) per share	HK$23M	(HK$96M)
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earning (loss) per share	767,359,028	767,353,549

The computation of diluted earning per share does not assume the exercise of the Company's outstanding share options as the exercise price of the share options of the Company are higher than the average market price per share for the year ended 30th April, 2010.

The calculation of diluted loss per share for the year ended 30th April, 2009, did not assume the exercise of the share options of the Company because such assumption would result in a decrease in loss per share.

7. INTEREST IN AN ASSOCIATE

	2010	**2009**	**1st May, 2008**
	HK$'M	*HK$'M*	*HK$'M*
Listed investment outside Hong Kong			
Cost of investment	23	23	19
Share of post-acquisition losses and reserves	(23)	(23)	(19)
	–	–	–
Quoted value of listed investment	–	12	59

Interest in an associate represents the Group's 43.22% (2009: 43.22%) interest in the issued ordinary share capital of ASAT, a limited company incorporated in the Cayman Islands and its shares were listed on the NASDAQ prior to 17th April, 2008. ASAT group are principally engaged in the provision of assembly and testing of integrated circuits in the PRC.

On 25th March, 2008, ASAT received a notice from the NASDAQ Listing Qualifications Panel determining the delisting of ASAT's securities from the NASDAQ market and the trading of its shares were suspended at the open of business on 27th March, 2008. On 17th April, 2008, ASAT announced that its American Depository Shares ("ADS") started trading on the Over-the-Counter Bulletin Board under the symbol "ASTTY.PK" and were delisted from NASDAQ.

On 2nd March, 2009, ASAT has 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 30th August, 2009, subject to certain early termination events. On 1st 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 ("ASAT Financial Restructuring"). On 31st August, 2009, ASAT announced that it has received an extension forbearance period of an additional 30 consecutive days till 29th September, 2009. On 3rd January, 2010, ASAT announced that it 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, and the transaction was completed on 4th February, 2010. On 11th February, 2010, the shareholders of ASAT passed resolutions to place ASAT into voluntary liquidation and appoint joint voluntary liquidators to implement the liquidation. On 25th March, 2010, the Supervision of the Grand Court of Cayman Islands granted the orders for voluntary liquidations of ASAT and also appointed the liquidators. The Group's interest in an associate was transferred to available-for-sale investments as it was no longer able to exercise significant influence over the associate upon the commencement of voluntary liquidations of ASAT.

The Group has recognised share of loss of the associate up to 24th March, 2010 amounting to HK$6 million (2009: HK$9 million), the date when the Group lost significant influence in the associate. The recognition of the share of loss of 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 8), to nil as ASAT is in a net liabilities position. The Group has discontinued the recognition of its share of losses of ASAT. The accumulated unrecognised share of losses amounted to HK$383 million as at 30th April, 2008.

8. INVESTMENT IN CONVERTIBLE PREFERRED SHARES/DERIVATIVE FINANCIAL INSTRUMENTS

	2010	2009	1st May, 2008
	HK$'M	*HK$'M*	*HK$'M*
Investment in convertible preferred shares – loan portion	49	43	38
Less: Loss allocated in excess of cost of investment	(49)	(43)	(38)
	–	–	–

Derivative financial instruments reclassified as non-current assets:

	2010	2009	1st May, 2008
	HK$'M	*HK$'M*	*HK$'M*
Investment in convertible preferred shares – conversion option	–	1	12
Investment in warrants	–	–	1
	–	1	13

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 at initial recognition.

As described in Note 7, ASAT passed resolutions to place ASAT into voluntary liquidation and appointed joint voluntary liquidators to implement the liquidation in March 2010. In the opinions of the directors of the Company, as a result of such events, the recoverable amount of the loan portion of the investment in convertible preferred shares was zero and the fair value of the conversion option of the convertible preferred shares and the warrants were also approximately zero, resulting in losses arising from changes in fair values of approximately HK$1 million recognised in the consolidated statement of comprehensive income.

At 30th April, 2009, the fair value of the conversion option of the convertible preferred shares and the warrants were determined by using binomial model.

Key inputs into the binomial model were as follows:

	At 30th April, 2009
Share price	USD 0.065
Volatility of share price	150%
Risk free rate	0.91%
Dividend yield	0%
Option life of conversion option	2 years
Option life of warrants	1.5 years

As at 30th April, 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 USD0.13 million or equivalent to approximately HK$1 million and approximately USD0.02 million or equivalent to approximately HK$0.15 million respectively, resulting in losses arising from changes in fair values of approximately HK$12 million recognised in the consolidated statement of comprehensive income.

9. OTHER RECEIVABLE

On 20th 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 30th 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 instalments from 1st September, 2010 to 31st March, 2011. Accordingly, the amount has been classified as non-current as at 30th April, 2009 and reclassified to current asset and is included in "trade and other receivable" in Note 10. 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 30th April, 2009 and 2010 included imputed interest of HK$1 million and HK$2 million respectively.

10. TRADE AND OTHER RECEIVABLES

	2010	**2009**	**1st May, 2008**
	HK$'M	*HK$'M*	*HK$'M*
Trade receivables	68	32	54
Less: Allowance for bad and doubtful debts	–	(1)	(3)
	68	31	51
Receivable in respect of disposal of subsidiary – due within one year *(Note 9)*	6	2	–
Other receivables	2	1	6
	76	34	57

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 presented based on the invoice date at the end of the reporting period:

	2010	**2009**
	HK$'M	*HK$'M*
Within 30 days	38	14
Between 31 and 60 days	23	7
Between 61 and 90 days	5	5
Over 90 days	2	5
	68	31

11. 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:

	2010	2009	1st May, 2008
	HK$'M	*HK$'M*	*HK$'M*
0 – 30 days	–	7	14
Over 30 days	–	6	13
	–	13	27

The trade receivable due from an associate was not past due at the end of the reporting period. The Group did not hold any collateral over this balance.

12. AVAILABLE-FOR-SALE INVESTMENTS

	2010	2009	1st May, 2008
	HK$'M	*HK$'M*	*HK$'M*
Listed equity securities in Hong Kong, at fair value	4	4	18
Listed equity securities outside Hong Kong, at fair value	–	–	–
	4	4	18

At the end of the reporting period, 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 companies 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%
ASAT	Cayman Islands	Provision of assembly and testing of integrated circuits in the PRC	Ordinary shares	43.22%

Melco is a company listed on the Growth Enterprise Market of the Stock Exchange while ASAT's ADS traded on the Over-the-Counter Bulletin Board under the symbol "ASTTY.PK".

13. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2010 *HK$'M*	2009 *HK$'M*	1st May, 2008 *HK$'M*
Trade payables			
Within 30 days	10	3	11
Between 31 and 60 days	8	2	5
Between 61 and 90 days	3	1	4
Over 90 days	5	2	8
	26	8	28
Other payables	9	5	10
	35	13	38

The credit period on purchases of goods is ranging from 30 to 90 days. The Group has financial risk management policies in place to ensure that all payables within the credit timeframe.

14. EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Share capital *HK$'M*	Share premium *HK$'M*	Contributed surplus *HK$'M* *(Note)*	Capital redemption reserve *HK$'M*	Investment revaluation reserve *HK$'M*	Share options reserve *HK$'M*	Accumulated losses *HK$'M*	Total *HK$'M*
At 1st May, 2008	61	148	40	12	16	4	(98)	183
Other comprehensive expenses for the year	–	–	–	–	(14)	–	–	(14)
Loss for the year	–	–	–	–	–	–	(96)	(96)
Total comprehensive expenses for the year	–	–	–	–	(14)	–	(96)	(110)
Transfer to retained profits	–	–	–	–	–	(1)	1	–
At 30th April, 2009	61	148	40	12	2	3	(193)	73
Profit for the year	–	–	–	–	–	–	23	23
Recognition of equity-settled share-based payment	–	–	–	–	–	3	–	3
Transfer to retained profits	–	–	–	–	–	(1)	1	–
At 30th April, 2010	61	148	40	12	2	5	(169)	99

Note: Contributed surplus represents the excess of the net assets of subsidiaries acquired over the nominal value of the Company's shares issued as consideration.

CHAIRMAN'S STATEMENT

Business Review

On behalf of the Board of Directors, I hereby present to shareholders the results of the Group for the year ended 30th April, 2010. I am pleased to report that the Group achieved a turnaround in performance, recording profit attributable to equity holders of HK$23 million. This was achieved by managing our business prudently through the financial crisis since late 2008 and capturing opportunities which have arisen since the recovery of the semiconductor market during the second half of the financial year of 2010. The Group experienced a decline in turnover driven by weakened demand from customers throughout the supply chains of the semiconductor industry during the first half of the financial year of 2010. The Group also faced a shortage of skilled labour and materials needed to realise the increase in turnover which resulted from the rebound in demand for semiconductor and its related products boosted by the pick up of demand for end market electronic devices and automobiles. Given the turbulent operating environment, the Group has sharpened our focus on seeking orders with higher margins, implementing stringent cost control and streamlining operations to achieve better production yield, shortened lead times and reduced wastage to achieve profitability. The internal operational efficiencies were further enhanced by tight control on labour expenses, consumables usage and strengthened material and supply chain management to contain material costs. Furthermore, the Group managed to generate positive operating cash inflow through better management of working capital in inventory and effective management of financial resources and liquidity. As markets improved, the Group has quickly adapted to the growth momentum in the semiconductor industry and performed satisfactorily in attaining positive earning and a strengthened balance sheet with improved cash inflow.

Thanks to the consistent efforts of our staff in the difficult economic environment followed by a rebound in market demand for semiconductors and leadframes, the Group reported a 18.2% of growth in turnover which amounted to approximately HK$325 million (2009: HK$275 million) for the year ended 30th April, 2010. As a result of the increase in turnover and improvement in operational margin through various measures to streamline operations and contain costs, the profit attributable to equity shareholders of the Company amounted to HK$23 million, compared to a consolidated loss of HK$96 million for the year ended 30th April, 2009. Excluding non-operating items including the share-based payment of HK$3 million and the one-off loss arising from changes in fair value of derivative financial instruments issued by ASAT of HK$1 million, the adjusted profit attributable to equity shareholders was HK$27 million which is approximately 8.3% of the turnover. Earning per share was HK$0.03 for the financial year 2010 compared with a loss per share of HK$0.13 for the financial year 2009. EBITDA, computed as earning before tax plus depreciation, finance costs, impairment losses, share of loss of an associate, interest income for convertible preferred shares and losses arising from changes in fair value of derivative financial instruments, achieved a turnaround as well, amounting to HK$37 million (2009: LBITDA of HK$11 million).

The return on equity stood at 23.2% as at 30th April, 2010 (2009: Nil). Due to improved market sentiments, improved operating efficiency as mentioned above and increasing demand for semiconductors and related products, the Directors consider that no further impairment should be made in respect of property, plant and equipment this year as opposed to an impairment loss on property, plant and equipment of HK$50 million for the year ended 30th April, 2009.

Underpinned by a strong rebound in the electronics and semiconductor industries in the PRC, the Group's sales performance in the PRC continued to be encouraging. The PRC is the largest single market for the Group. Sales to the PRC achieved a growth rate of 20%, amounting to HK$136 million compared to HK$113 million in 2009. Driven by strengthened marketing activities, sales to other Asian countries including Taiwan, Indonesia and Thailand recorded a remarkable increase of 62% to HK$73 million compared to HK$45 million in 2009.

Due to better usage of materials and enhancement of production yield, the ratio of materials and consumables used to turnover improved to 47.1% compared to 49.1% for the financial year 2009. The ratio of the other expenses and staff costs to turnover has reduced to 23.4% and 22.8% respectively for the financial year 2010, from 30.9% and 27.6% respectively for the financial year 2009. In order to tackle inflationary pressure on the PRC operations and the appreciation of Renminbi, the Group introduced various measures to contain labour overhead and other operating expenses and the resulting improvements in operating efficiency contributed to the positive operating margin and net profit compared to the net loss incurred in the last financial year.

As the Group generated a net cash inflow of HK$26 million from operating activities and settled borrowings of HK$14 million, the Group's gearing ratio, calculated as bank and other borrowings less cash and cash equivalents divided by shareholder's equity as at 30th April, 2010 was reduced to nil to achieve a net cash position compared to 25% as at 30th April, 2009. Shareholder's funds increased from approximately HK$73 million as at 30th April, 2009 to approximately HK$99 million as at 30th April, 2010.

Interest in Associate – ASAT

Reference is made to the Company's announcement dated 3rd January, 2010 that the Board of Directors of ASAT Holdings Limited ("ASAT") had reached an agreement (the "Agreement") with United Test and Assembly Center, Ltd. or its affiliates ("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, at a consideration of approximately US$45 million, subject to a downward post-closing adjustment of up to US$5 million. As part of the proposed transaction, UTAC also purchased the rights to inter-company loans that have been made by ASAT and New ASAT (Finance) Limited ("ASAT Finance") to ASAT Limited. ASAT Finance is a direct subsidiary of ASAT Limited and the issuer of the US$150 million principal amount of 9.25% senior notes due 2011 (the "Existing Notes") that have been guaranteed by ASAT. ASAT Limited intended to transfer the outstanding shares of ASAT Finance to ASAT prior to completion of the sale, such that ASAT Finance would become a direct subsidiary of ASAT and will not be transferred to UTAC as part of the transactions set forth above (the "Sale Process").

On 5th February, 2010, ASAT announced that in response to the consent solicitation issued by ASAT Finance on 25th January, 2010, it had received consents from holders owning 59.05% in principal amount of the Existing Notes to amend the indenture governing the Existing Notes and it had completed the sale of all the shares in ASAT Limited to Global A&T Electronics Ltd., the nominee and the immediate parent of UTAC. On 12th February, 2010, ASAT announced that at a duly convened extraordinary general meeting of its shareholders held on 11th February, 2010, the shareholders of ASAT passed resolutions to place ASAT into voluntary liquidation and appoint joint voluntary liquidators to implement the liquidation. On 25th March, 2010, the Supervision of the Grand Court of Cayman Islands granted the orders for the voluntary liquidations of the ASAT and also appointed the liquidators. The Group's interest in an associate was transferred to available-for-sale investments as it was no longer able to exercise significant influence over the associate upon the commencement of voluntary liquidations of ASAT.

The disposal of ASAT Limited has not had any material impact on the Company's consolidated financial statements. Following the completion of the Sale Process, UTAC Hong Kong Ltd. (formerly ASAT Limited) became an independent third party of the Group. As at the date hereof, the Group continues to conduct arms-length business transactions with UTAC Hong Kong Ltd. and its subsidiaries. The Group also continues to receive purchase orders from UTAC Hong Kong Ltd. and its subsidiaries and the Group receives settlements from UTAC Hong Kong Ltd and its subsidiaries according to relevant agreed credit terms.

The Group held 43.22% of ASAT with nil carrying value as at 24th March, 2010. The Group has continued to derecognise its share of losses of ASAT up to 24th March, 2010. No preferred share dividend declared or paid by ASAT.

Outlook

Looking forward to the next financial year, the management remains cautiously optimistic that we will see continued growth momentum for our business. Order bookings in the first quarter of the financial year ending 30th April, 2011 remains satisfactory compared to the second half of the financial year in 2010. The semiconductor market is performing satisfactorily despite uncertainties over current economic developments. The Group continues to focus on both existing and potential customers in the PRC and other East Asian markets where robust electronic and automobile industries have triggered growth of the semiconductor market. The prevailing stimulus policy of the Chinese government in IT infrastructure, household appliances and automobiles is expected to have a positive impact on the domestic consumption of semiconductors. Improving consumer confidence in emerging markets is also expected to boost demand for consumer electronic products in various end market segments throughout 2010 and the first half of 2011.

The Group will implement further measures to improve our production yield and quality assurance, enlarge product mix and technical capabilities to capture increasing demand for semiconductors and leadframes for the buoyant domestic PRC and East Asian consumer electronic markets. Looking ahead, the Group continues to place our priority on strengthening our relationships with customers, vendors and other stakeholders to pave the way for future business growth and greater profitability. To better serve our existing customers and to develop new markets, we will allocate internal resources to strengthen new product offerings and the variety of valued-added products with satisfactory margins to cater for different market segments and requirements. New production technologies and better production management skills will be adopted to improve our production yield and delivery lead times to provide premium services to customers.

On the operating environment, facing the shortage of skilled labour and accelerating inflation and appreciation of Renminbi, the Group will step up its efforts to maintain flexibility in relation to operating scale and stringent control on material usage and operating expenses to relieve the pressure on our margins. The Group will also uphold prudent financial management policies to further improve our working capital and to enhance cash inflow to maintain a sound balance sheet.

We are confident in facing the business challenges ahead and will strive our best to provide satisfactory returns for our shareholders.

Financial Review

During the year under review, the Group continued to maintain sound liquidity via adoption of prudent financial management policies. The Group was in a net cash position as at 30th April, 2010 due to an increase in net cash inflow from operating activities of HK$26 million and the settlement of borrowings of HK$14 million in the financial year of 2010. As at 30th April, 2010, the Group's total outstanding debts of HK$18 million (2009: HK$31 million) comprised of HK$3 million (2009: HK$3 million) of trust receipt loans and bill payables, nil (2009: HK$12 million) of other secured bank loan, HK$4 million of unsecured bank loan (2009: HK$6 million), HK$1 million of obligation under finance lease (2009: Nil) and HK$10 million (2009: HK$10 million) of loan from a director. In terms of interest bearing obligations, HK$8 million (2009: HK$21 million) was interest bearing and HK$10 million (2009: HK$10 million) was interest free.

The current ratio of the Group, calculated by dividing the total current assets by the total current liabilities, improved further to approximately 1.62:1 as at 30th April, 2010 (2009: approximately 1.29:1).

Distribution

The directors do not recommend the payment of a final dividend for the year (2009: Nil).

Pledge of Assets

As at 30th April, 2010, plant and equipment with a carrying value of HK$5 million (2009: HK$24 million) were pledged to secure certain banking facilities and bank loan granted to the Group. The Group's obligation under a finance lease is secured by the lessor's charge over the leased assets.

Capital expenditure

During the year ended 30th April, 2010, the Group invested around HK$8 million (2009: HK$6 million) in acquiring property, plant and equipment. This capital expenditure was financed mainly from internal financial resources.

Employees and Emolument Policy

As at 30th April, 2010, the Group employed approximately 1,364 employees (2009: 1,180 employees). The increase in headcount was in line with the improved business turnover compared to the 2009 financial year. The Group maintained its remuneration policy comprising salary and other benefits including a share option scheme as an integral part of the Total Quality Management.

The emoluments of the directors and senior management of the Company are determined by the Remuneration Committee and approved by the Board, having regard to their individual duties and responsibilities with the Company, remuneration benchmarks in the industry and prevailing market conditions.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to building and maintaining high standards of corporate governance practices. The Company 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"). A copy of the QPL Code is posted on the Company's website.

Throughout the year under review, the Company has applied the principles and complied with all the code provisions set out in the CG Code except for the deviations explained in the relevant paragraphs 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, half of the Directors (excluding Director(s) holding office as executive chairman and/or managing director, who is/are, by virtue of Bermuda law, exempted from retirement by rotation) shall retire from office at each annual general meeting of the Company and shall be eligible for re-election. As the executive Chairman of 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 Tung Lok has agreed to voluntarily retire and be re-elected at least once every three years. At the annual general meeting of the Company held on 5th 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.

The Company currently does not have a Director holding office as its managing director.

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 the Chief Executive Officer since December 2008. Being the founder of the Group, Mr. Li's industry expertise and detailed understanding of the Company's 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.

AUDIT COMMITTEE

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

Throughout the year under review and up to the date of this Annual Report, 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 terms of reference of the Audit Committee are consistent with those set out in the CG Code. The terms of reference of the Audit Committee is posted on the Company's website and also available from the company secretary of the Company ("Company Secretary") on request.

The major roles and functions of the Audit Committee include:

– assisting the Board in fulfilling its responsibilities by providing an 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 Audit Committee has reviewed with the management of the Company the accounting principles adopted by the Group and the audited consolidated financial statements for the year ended 30th April, 2010 as well as an independent internal control review report from an external firm of qualified accountants engaged during the year under review.

MODEL CODE FOR SECURITIES TRANSACTIONS

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 year under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (http://www.hkex.com.hk) and the Company (http://www.qpl.com). The Company's annual report for the year ended 30th April, 2010 containing all information required by the Listing Rules will be dispatched to shareholders and available on above websites in due course.

APPRECIATION

On behalf of the board, I would like to take this opportunity to express our sincere gratitude to all staff for their hard work and passion towards the Group and the unwavering commitment from our customers and shareholders to the Group over the years.

By Order of the Board
Li Tung Lok
Chairman

Hong Kong, 9th August, 2010

As at the date of this announcement, the board of directors of the Company comprises 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).