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QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2010

FINANCIAL HIGHLIGHTS

	Six months ended 31 October		**Increase (Decrease)**	
	2010	2009	Amount	%
Turnover *(HK$'M)*	**216**	145	71	49
Profit for the period, before impairment loss *(HK$'M)*	**7**	9	(2)	(22)
Profit for the period *(HK$'M)*	**5**	9	(4)	(44)
Earnings per share *(HK$)*	**0.006**	0.012	(0.006)	(50)

	As at 31 October 2010	As at 30 April 2010	Increase %
Net debt gearing ratio (%) *(Note)*	**9%**	Nil	9%

Note: Net debt gearing ratio is defined as total debts, including borrowings, obligation under finance leases, 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 2010 together with the comparative figures. The interim financial results and report have not been audited, but has been reviewed by the Company's auditor and audit committee.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 October 2010

		Six months ended 31 October	
		2010	2009
	NOTES	***HK$'M***	*HK$'M*
		(Unaudited)	(Unaudited)
Turnover	*3*	**216**	145
Other income	*4*	**10**	9
Changes in inventories of finished goods and work in progress		**1**	4
Raw materials and consumables used		**(116)**	(68)
Staff costs		**(46)**	(32)
Depreciation of property, plant and equipment		**(5)**	(5)
Other expenses		**(54)**	(39)
Interest on bank and other loans wholly repayable within five years		**–**	(1)
Share of loss of an associate		**–**	(3)
Profit before taxation		**6**	10
Taxation	*5*	**(1)**	(1)
Profit for the period		**5**	9
Other comprehensive income:			
(Loss) gain on fair value changes of available-for-sale investments		**(2)**	2
Total comprehensive income for the period		**3**	11
		HK$	*HK$*
Earnings per share	*7*		
Basic and diluted		**0.006**	0.012

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 October 2010

	NOTES	**31 October 2010 *HK$'M* (Unaudited)**	30 April 2010 *HK$'M* (Restated)
Non-current assets			
Property, plant and equipment		**56**	51
Investment in convertible preferred shares – loan portion	*8*	**–**	–
Derivative financial instruments	*8*	**–**	–
Other receivable	*9*	**2**	–
		58	51
Current assets			
Inventories		**40**	33
Trade and other receivables	*10*	**96**	76
Deposits and prepayments	*11*	**7**	9
Available-for-sale investments	*12*	**2**	4
Bank balances and cash		**16**	19
		161	141
Current liabilities			
Trade and other payables	*13*	**48**	35
Trust receipt loans and bill payables		**10**	3
Deposits and accrued expenses		**39**	35
Taxation payable		**1**	1
Borrowings		**13**	14
Obligation under finance leases		**2**	1
		113	89
Net current assets		**48**	52
		106	103
Capital and reserves			
Share capital		**61**	61
Share premium and reserves	*14*	**42**	38
Equity attributable to the owners of the Company		**103**	99
Non-current liability			
Accrued rental expenses		**3**	4
		3	4
		106	103

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 2010, 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:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
Hong Kong Interpretation 5 ("HK Int 5")	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

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.

HK Int 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

HK Int 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ('repayment on demand clause') should be classified by the borrower as current liabilities. The Group has applied HK Int 5 for the first time in the current year. HK Int 5 requires retrospective application.

In order to comply with the requirements set out in HK Int 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK Int 5, term loans with a repayment on demand clause are classified as current liabilities.

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK$2 million and HK$4 million have been reclassified from non-current liabilities to current liabilities as at 30 April 2010 and 1 May 2009 respectively. As at 31 October 2010, bank loans and obligation under finance lease (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) with the aggregate carrying amount of HK$1 million and HK$1 million have been classified as current liabilities respectively. The application of HK Int 5 has had no impact on the reported profit or loss for the current and prior years.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[2]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[4]
HKFRS1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[5]
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets[5]
HKFRS 9	Financial Instruments[6]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[3]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[4]

1 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
2 Effective for annual periods beginning on or after 1 January 2012
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 July 2010
5 Effective for annual periods beginning on or after 1 July 2011
6 Effective for annual periods beginning on or after 1 January 2013

HKFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. The application of HKFRS 9 will impact the classification and measurement of the Group's available-for-sale investments.

The directors of the Company anticipate that the application of other new and revised HKFRSs 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 by the Group to outside customers less sales returns and discounts.

	Turnover Six months ended 31 October		**Segment results Six months ended 31 October**	
	2010	2009	**2010**	2009
	HK$'M	*HK$'M*	***HK$'M***	*HK$'M*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
External sales				
United States of America	**27**	11	**3**	2
Hong Kong	**8**	5	**1**	1
Europe	**2**	1	**–**	–
The People's Republic of China (the "PRC")	**86**	63	**8**	11
Philippines	**12**	10	**1**	1
Malaysia	**23**	15	**3**	3
Singapore	**12**	10	**1**	1
Other Asian countries	**46**	30	**5**	5
	216	145	**22**	24
Intersegment sales				
United States of America	**2**	1	**–**	–
	2	1	**–**	–
Segment total	**218**	146	**22**	24
Eliminations	**(2)**	(1)	**–**	–
Group's turnover and segment results	**216**	145	**22**	24
Depreciation of property, plant and equipment			**(5)**	(5)
Impairment loss on other receivable and prepayment			**(2)**	–
Unallocated corporate expenses			**(10)**	(8)
Imputed interest income on non-current interest-free other receivable			**1**	–
Interest income for convertible preferred shares			**–**	3
Interest on bank and other loans wholly repayable within five years			**–**	(1)
Share of loss of an associate			**–**	(3)
Profit before taxation			**6**	10

Segment profit represents the profit earned by each segment without allocation of corporate management expenses, depreciation, impairment loss on other receivables and prepayment, directors' emoluments, share of loss of an associate, imputed interest income on non-current interest-free other receivable, 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	
	2010	2009
	HK$'M	*HK$'M*
	(Unaudited)	(Unaudited)
Sales of by-products and scrap	**9**	5
Imputed interest income on non-current interest-free other receivable	**1**	–
Sundry income	**–**	1
Interest income for convertible preferred shares	**–**	3
	10	9

5. TAXATION

	Six months ended 31 October	
	2010	2009
	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 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 incurred tax losses for both 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 2010 (2009: Nil).

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the earnings attributable to the owners of the Company for the period of HK$5 million (2009: HK$9 million) and the number of 767,373,549 (2009: the number of 767,353,549) ordinary shares in issue during the period.

The computation of diluted earnings per share for both periods does not assume the exercise of the Company's outstanding share options as the exercise prices of the share options of the Company are higher than the average market prices per share during both periods.

8. INVESTMENT IN CONVERTIBLE PREFERRED SHARES/DERIVATIVE FINANCIAL INSTRUMENTS

	At 31 October 2010 *HK$'M* **(Unaudited)**	At 30 April 2010 *HK$'M* (Audited)
Investment in convertible preferred shares – loan portion	**49**	49
Less: Loss allocated in excess of cost of investment	**(49)**	(49)
	–	–
Derivative financial instruments:		
Investment in convertible preferred shares – conversion option	**–**	–
Investment in warrants	**–**	–
	–	–

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 Holdings Limited ("ASAT"). The effective interest rate for the straight loan feature was estimated at 36% per annum.

As described in Note 15 to the consolidated financial statements of 2010 Annual Report dated 9 August 2010, on 11 February 2010 the shareholders of ASAT passed resolutions to place ASAT into voluntary liquidation and appointed joint voluntary liquidators to implement the liquidation. On 25 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 ASAT was transferred from investment in an associate to available-for-sale investment as it was no longer able to exercise significant influence over ASAT upon the commence of voluntary liquidations of ASAT. 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.

9. 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 agreed with the Group to repay the outstanding amount due to the Group of HK$7 million, which was unsecured and interest-free, in seven equal monthly installments from 1 September 2010 to 31 March 2011. At the end of this reporting period, the directors have considered the collectability of the other receivables due from TFIL and an impairment loss of approximately HK$1 million was recognised. The gross amount at the end of the reporting period before impairment loss was HK$6.5 million. The carrying amount at the end of the reporting period which takes into account of the discounting effect of the expected future cash flow at the rate of 29.7% according to the rescheduled repayment term was HK$5 million, of which HK$3 million and HK$2 million was classified as current and non-current.

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

	At 31 October 2010 *HK$'M* **(Unaudited)**	At 30 April 2010 *HK$'M* (Audited)
Trade receivables		
Within 30 days	**33**	38
Between 31 and 60 days	**30**	23
Between 61 and 90 days	**15**	5
Over 90 days	**9**	2
	87	68
Proceeds receivable in respect of disposal of a subsidiary – due within one year *(Note 9)*	**3**	6
Other receivables	**6**	2
	96	76

11. DEPOSITS AND PREPAYMENTS

At the end of this reporting period, the carrying amount of prepayment of HK$1.8 million in relation to normal trade transactions was due from TFIL. The directors have considered the recoverability of prepayments to TFIL and the settlement plan and considered the recoverable amount is less than the carrying amount. Accordingly, an impairment loss of approximately HK$1 million was recognised.

12. AVAILABLE-FOR-SALE INVESTMENTS

	At 31 October 2010 *HK$'M* **(Unaudited)**	At 30 April 2010 *HK$'M* (Audited)
Listed equity securities in Hong Kong, at fair value	**2**	4

As described in Note 15 to the consolidated financial statement of 2010 Annual Report dated 9 August 2010, on 11 February 2010 the shareholders of ASAT passed resolutions to place ASAT into voluntary liquidation and appoint joint voluntary liquidators to implement the liquidation. On 25 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 ASAT was transferred from investment in an associate to available-for-sale investment as it was no longer able to exercise significant influence over ASAT upon the commence of voluntary liquidations of ASAT. The carrying amount of the investment at that date was the initial cost of available-for-sale investment.

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%
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 of Hong Kong Limited while ASAT's ADS traded on the Over-the-Counter Bulletin Board under the symbol "ASTTY. PK".

At the end of the reporting period, investment in Melco is stated at fair value, which has been determined based on bid prices quoted in an active market.

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:

	At 31 October 2010	At 30 April 2010
	HK$'M	*HK$'M*
	(Unaudited)	(Audited)
Trade payables		
Within 30 days	**11**	10
Between 31 and 60 days	**7**	8
Between 61 and 90 days	**6**	3
Over 90 days	**7**	5
	31	26
Other payables	**17**	9
	48	35

14. SHARE PREMIUM AND RESERVES

	At 31 October 2010	At 30 April 2010
	HK$'M	*HK$'M*
	(Unaudited)	(Audited)
Share premium	**148**	148
Contributed surplus	**40**	40
Capital redemption reserve	**12**	12
Investment revaluation reserve	**–**	2
Share options reserve	**6**	5
Accumulated losses	**(164)**	(169)
	42	38

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 31 October 2010, the Group's turnover for the six-months ended October 31, 2010 rose by 49.0% over the same period in the previous financial year to HK$216 million (2009: HK$145 million) as a result of the recovery of the global electronics market which drove up market demand for semiconductors and leadframes. The People's Republic of China ("PRC") and other Asian countries (mainly Indonesia, Korea, Taiwan and Thailand) continued to be the Group's major markets. The increase in turnover was largely driven by strong consumer demand for electronics products resulting in recovery of demand for leadframes from our customers in the semiconductor packing industry in these regions. Turnover to customers in the PRC increased by 36.5% to HK$86 million (2009: HK$63 million), representing 39.8% (2009: 43.4%) of the Group's turnover. The turnover to other Asian countries also achieved a remarkable performance with an increase of 53.3% to HK$46 million (2009: HK$30 million). Overall, the results reflect the Group's commitment and efforts to focus its resources in marketing activities to develop the PRC and Asian markets.

Despite the recovery of demand for leadframes and the sound performance in the Group's turnover, the operating business environment in the PRC remained challenging and inflationary pressure on materials, labour and operating costs impacted the operating margin of the Group. The profit before tax decreased from HK$10 million of last year to HK$6 million. The Group's ratio of operating profit to turnover fell from 6.9% of last year to 2.8% for the period under review. The Group's unaudited profit attributable to the owners of the Company for the period ended 31 October 2010 amounted to HK$5 million (2009: HK$9 million). Basic earnings per share were HK0.6 cents (2009: HK1.2 cents).

The decrease in profit margin was mainly attributable to the higher cost of materials such as copper and silver, rising labour costs and appreciation of the Renminbi and weakening of the US dollars. The Group's major raw materials such as copper and silver experienced remarkably large price fluctuations and the rise of material costs outpaced the growth in turnover. This impacted negatively our operating margins as the higher cost of materials could not be effectively transferred to customers due to the lag effect in price adjustments. Those factors caused an increase of the ratio of materials to turnover to 53.7% for the period ended 31 October 2010 compared to 46.9% for the corresponding period last year. The Group is actively reviewing our cost structure, material planning and production schedules to identify room for improvement on material usage to rescue the impact of the rising cost of materials.

In order to maintain our competitiveness to retain and recruit skilled labour in the PRC, the Group raised wages of its workers in the PRC and accordingly labour costs increased during the period under review. Added to that, the Group deployed resources and expenses to upgrade its existing production facilities to increase output and to improve product quality to cater to increasing customer demand. The Group will exercise tight control on all aspects of expenditure to ensure its continuing profitability. Thus, the increase in labour costs and the higher operating costs in the PRC add pressure on the production costs of the Group. Although the ratio of total expenses other than raw materials and consumables used and impairment loss on other receivable and prepayments of HK$2 million to turnover improved to 48.1% for the period under review (as compared to 53.8% for the same period last year) thanks to the continuing control on administrative expenses, the net profit ratio decreased from 6.2% last year to 2.3% in the period under review due to higher material costs.

OUTLOOK

The Directors believe that the challenging operating environment in the PRC will continue to have an impact on the performance of the Group in the second half of this financial year ending 30 April 2011. Profitability of the Group continues to be under pressure caused by rising operating costs in the PRC, appreciation of the Renminbi and turbulent currency and commodity markets. The Group continues to deal with these challenges by taking various measures proactively to contain the inflationary pressure on our materials and operating costs. We are currently modifying and adjusting our existing production facilities and strengthening our engineering efforts in production planning and scheduling to optimise our costing structure to achieve higher production yields, cost saving and lead-time reduction so as to better serve our customers. Our management is also well aware of the need to continue to improve every aspect of our operation to attain greater competitiveness to create value for our customers and shareholders.

FINANCIAL REVIEW

During the period under review, the Group continued to maintain cautious financial policy in managing working capital to achieve a healthy liquid position. The Group will continue to implement a prudent financial management strategy to manage our working capital to withstand the changing business environment.

The Group held a bank and cash balance of HK$16 million as at 31 October 2010 (30 April 2010: HK$19 million). To finance the increased working capital, the Group's total outstanding debts were increased to HK$25 million as at 31 October 2010 (30 April 2010: HK$18 million) comprised HK$10 million (30 April 2010: HK$3 million) trust receipt loans and bill payables, HK$3 million (30 April 2010: HK$4 million) of unsecured bank loans, HK$2 million of obligation under finance leases (30 April 2010: HK$1 million) and HK$10 million (30 April 2010: HK$10 million) loans from a director. In terms of interest bearing, HK$15 million (30 April 2010: HK$8 million) was interest bearing and HK$10 million (30 April 2010: HK$10 million) was interest free.

Net debt gearing ratio was maintained at 9% (30 April 2010: Nil) as at 31 October 2010.

DISTRIBUTION

The directors do not recommend the payment of an interim dividend for the period under review (2009: Nil).

PLEDGE OF ASSETS

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets. No plant and equipment was pledged to secure banking facilities or bank loans as at 31 October 2010. At 30 April 2010, plant and equipment with a carrying value of approximately HK$5 million was pledged to secure certain banking facilities granted to the Group.

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"). A copy of the QPL Code is posted on the Company's website.

Throughout the six months ended 31 October 2010, 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 meeting of the Company held on 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 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 of 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 six months ended 31 October 2010 and up to the date of the interim report of the Company, 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 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 interim report has been reviewed by the Audit Committee.

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 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 2010/11 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, 23 December 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).