QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 243)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30TH APRIL, 2011

FINANCIAL HIGHLIGHTS

	Audited results for the year ended 30th April, 2011	2010	**Increase (decrease)**
Turnover *(HK$'000)*	**353,998**	325,287	28,711
(Loss) profit for the year *(HK$'000)*	**(13,153)**	23,551	(36,704)
(Loss) earnings per share *(HK$)*	**(0.02)**	0.03	(0.05)
EBITDA *(HK$'000) (Note 1)*	**3,184**	39,316	(36,132)

	(Audited) As at 30th April, 2011	(Audited) As at 30th April, 2010	**Increase**
Net debt gearing ratio *(%)* *(Note 2)*	**28%**	0%	28%

Notes :

1. Earnings before interest, tax, depreciation and amortisation ("EBITDA") is computed as (loss) profit before tax plus depreciation, share-based payments expense, the provision of inventories and bad and doubtful debts, 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.

2. Net debt gearing ratio is defined as total debts, including borrowings, obligations under finance leases, trust receipt loans and bills payables 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, 2011 together with the comparative figures for 2010 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH APRIL, 2011

	NOTES	2011 HK$'000	2010 HK$'000
Turnover	3	**353,998**	325,287
Other income	4	**14,711**	22,122
Exchange loss, net		**(4,200)**	(1,726)
Changes in inventories of finished goods and work in progress		**4,593**	1,864
Raw materials and consumables used		**(199,880)**	(153,361)
Staff costs		**(74,134)**	(74,007)
Depreciation of property, plant and equipment		**(10,962)**	(9,412)
Losses arising from changes in fair value of derivative financial instruments		**–**	(1,213)
Impairment losses on balances with a former subsidiary	9	**(2,342)**	–
Other expenses		**(93,123)**	(77,287)
Interest on bank and other loans wholly repayable within five years		**(786)**	(753)
Share of loss of an associate		**–**	(6,433)
(Loss) profit before taxation		**(12,125)**	25,081
Taxation	5	**(1,028)**	(1,530)
(Loss) profit for the year		**(13,153)**	23,551
Other comprehensive income (expenses):			
Exchange differences arising on translation		**2**	161
(Loss) gain on fair value changes of available-for-sale investment		**(1,794)**	513
Total comprehensive (expenses) income for the year		**(14,945)**	24,225
		HK$	*HK$*
(Loss) earnings per share	6		
Basic and diluted		**(0.02)**	0.03

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30TH APRIL, 2011

	NOTES	**2011** **HK$'000**	2010 HK$'000 (Restated)	1st May, 2009 HK$'000 (Restated)
Non-current assets				
Property, plant and equipment		**60,066**	51,072	52,973
Interest in an associate	7	**–**	–	–
Investment in convertible preferred shares – loan portion	8	**–**	–	–
Derivative financial instruments	8	**–**	–	1,211
Other receivable	9	**994**	–	4,706
Advance payment for property, plant and equipment		**838**	–	–
		61,898	51,072	58,890
Current assets				
Inventories		**46,121**	32,688	26,569
Trade and other receivables	10	**65,722**	76,129	34,008
Trade receivable due from an associate		**–**	–	13,423
Deposits and prepayments		**4,339**	9,604	5,951
Available-for-sale investments	11	**2,991**	4,785	4,272
Bank balances and cash		**8,952**	18,520	12,858
		128,125	141,726	97,081
Current liabilities				
Trade and other payables	12	**44,036**	34,996	12,976
Trust receipt loans and bill payables		**13,358**	2,772	2,949
Deposits and accrued expenses		**22,341**	35,008	34,882
Taxation payable		**741**	738	79
Borrowings		**18,325**	14,652	27,897
Obligations under finance leases		**1,375**	308	–
		100,176	88,474	78,783
Net current assets		**27,949**	53,252	18,298
		89,847	104,324	77,188
Capital and reserves				
Share capital		**61,390**	61,390	61,388
Share premium and reserves		**24,965**	39,160	11,918
Equity attributable to owners of the Company	13	**86,355**	100,550	73,306
Non-current liabilities				
Accrued rental expenses		**3,229**	3,555	3,882
Obligations under finance leases		**262**	219	–
Deferred taxation		**1**	–	–
		3,492	3,774	3,882
		89,847	104,324	77,188

NOTES:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

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

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 and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendments)	Classification of Rights Issues
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRS 2 (Amendments)	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 application of the new and revised Standards and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements or disclosures set out in these consolidated financial statements.

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$2,116,000 and HK$4,113,000 have been reclassified from non-current liabilities to current liabilities as at 30th April, 2010 and 1st May, 2009 respectively. As at 30th April, 2011, obligations under finance leases (that are repayable more than one year after the end of the reporting period but contains a repayment on demand clause) with the aggregate carrying amount of HK$245,000 have been classified as current liabilities. The application of HK Int 5 has had no impact on the reported profit or loss, or (loss) earnings per share for the current and prior years.

The effects of the above changes in accounting policies on the financial positions of the Group as at 1st May, 2009 and 30th April, 2010 are as follows:

	As at 1st May, 2009 (Originally Stated)	Adjustments	As at 1st May, 2009 (Restated)	As at 30th April, 2010 (Originally Stated)	Adjustments	As at 30th April, 2010 (Restated)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Borrowings – current	23,784	4,113	27,897	12,536	2,116	14,652
Borrowings – non-current	4,113	(4,113)	–	2,116	(2,116)	–
Total effects on net liabilities	27,897	–	27,897	14,652	–	14,652

Such term loans and obligations under a finance lease that contain a repayment on demand clause are presented in the earliest time band in the maturity analysis.

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)	Improvements to HKFRSs 2010[1]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[2]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[3]
HKAS 19 (Revised 2011)	Employee Benefits[4]
HKAS 24 (Revised 2009)	Related Party Disclosures[5]
HKAS 27 (Revised 2011)	Separate Financial Statements[4]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[4]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[6]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[5]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[7]

1 Effective for annual periods beginning on or after 1st July, 2010 and 1st January, 2011, as appropriate

2 Effective for annual periods beginning on or after 1st July, 2012

3 Effective for annual periods beginning on or after 1st January, 2012

4 Effective for annual periods beginning on or after 1st January, 2013

5 Effective for annual periods beginning on or after 1st January, 2011

6 Effective for annual periods beginning on or after 1st July, 2011

7 Effective for annual periods beginning on or after 1st July, 2010

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 1st January, 2013, with earlier application permitted.

The directors anticipate that application of HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 30th April, 2014 will impact the classification and measurement of the Group's available-for-sale investments, but is not expected to impact the Group's other financial assets and financial liabilities.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

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.

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purpose of resources allocation and assessment of segment performance focuses on the location of customers.

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 represent aggregation of other non-reportable operating segments under HKFRS 8).

Segment revenues and results

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

	Turnover		**Segment results**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
USA	**43,005**	33,015	**353**	4,498
Hong Kong	**8,764**	9,757	**179**	1,683
Europe	**4,028**	1,419	**114**	256
PRC	**135,424**	136,027	**1,594**	21,770
Philippines	**21,824**	20,361	**575**	3,681
Malaysia	**37,761**	34,430	**1,067**	6,225
Singapore	**23,853**	20,293	**673**	3,669
Reportable segment total	**274,659**	255,302	**4,555**	41,782
Other Asian countries	**82,808**	73,273	**2,219**	13,230
	357,467	328,575	**6,774**	55,012
Eliminations	**(3,469)**	(3,288)	**–**	–
Group's turnover and segment results	**353,998**	325,287	**6,774**	55,012

	Segment results	
	2011	2010
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**(10,962)**	(9,412)
Impairment losses on balances with a former subsidiary	**(2,342)**	–
Gain on disposal of property, plant and equipment	**20**	14
Losses arising from changes in fair value of derivative financial instruments	**–**	(1,213)
Imputed interest income on non-current interest-free other receivable	**713**	1,251
Interest income for convertible preferred shares	**–**	6,121
Unallocated interest income	**6**	19
Unallocated corporate management expenses	**(5,548)**	(19,525)
Interest on bank and other loans wholly repayable within five years	**(786)**	(753)
Share of loss of an associate	**–**	(6,433)
(Loss) profit before taxation	**(12,125)**	25,081

Included in the USA and PRC reportable segments are revenue from inter-segments of HK$3,308,000 (2010: HK$3,261,000) and HK$161,000 (2010: HK$27,000) respectively.

The accounting policies of the operating segment are the same as the Group's accounting policies. Segment profit represents the profit from each segment without allocation of directors' remuneration, corporate management expenses, depreciation, impairment losses on balances with a former subsidiary, gain on disposal of property, plant and equipment, 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 and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

4. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Sales of by-products and scrap	**13,746**	13,694
Imputed interest income on non-current interest-free other receivable	**713**	1,251
Gain on disposal of property, plant and equipment	**20**	14
Interest income on bank deposits	**6**	19
Interest income for convertible preferred shares	**–**	6,121
Sundry income	**226**	1,023
	14,711	22,122

5. TAXATION

	2011	2010
	HK$'000	*HK$'000*
The charge comprises:		
PRC Enterprise Income Tax	**(1,027)**	(1,530)
Deferred tax	**(1)**	–
	(1,028)	(1,530)

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 the Group had no estimated assessable profits arising from Hong Kong during the year ended 30th April, 2011.

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 the year ended 30th April, 2010.

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. (LOSS) EARNINGS PER SHARE

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

	2011	2010
(Loss) profit for the purposes of basic and diluted (loss) earnings per share	**(HK$13,153,000)**	HK$23,551,000
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share	**767,373,549**	767,359,028

The computation of diluted (loss) earnings per share 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 price per share for the year ended 30th April, 2011 and 2010.

7. INTEREST IN AN ASSOCIATE

	2010	1st May, 2009
	HK$'000	*HK$'000*
Listed investment outside Hong Kong		
Cost of investment	**22,424**	22,424
Share of post-acquisition losses and reserves	**(22,424)**	(22,424)
	–	–
Quoted value of listed investment	**–**	11,735

The interest in an associate in the prior year represented the Group's 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 was principally engaged in the provision of assembly and testing of integrated circuits in the PRC.

On 2nd March, 2009, ASAT announced that it had 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 to the 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 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 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 was in a net liabilities position. The Group discontinued the recognition of its share of further losses of ASAT. The accumulated unrecognised share of losses amounted to HK$383 million as at 30th April, 2008.

On 22nd September, 2010, the Grand Court of Cayman Islands ordered that ASAT was dissolved on 22nd October, 2010.

8. INVESTMENT IN CONVERTIBLE PREFERRED SHARES/DERIVATIVE FINANCIAL INSTRUMENTS

	2011	2010	1st May, 2009
	HK$'000	*HK$'000*	*HK$'000*
Investment in convertible preferred shares – loan portion	**–**	48,013	41,892
Less: Loss allocated in excess of cost of investment	**–**	(48,013)	(41,892)
	–	–	–

Derivative financial instruments reclassified as non-current assets:

	2011	2010	1st May, 2009
	HK$'000	*HK$'000*	*HK$'000*
Investment in convertible preferred shares – conversion option	**–**	–	1,048
Investment in warrants	**–**	–	163
	–	–	1,211

In July 2005, the Company entered into a securities purchase agreement with Asia Opportunity Fund, L.P. and its affiliate funds ("AOF"), which held approximately 28.9% of the issued ordinary shares of ASAT, and ASAT in relation to a USD15 million financing (equivalent to approximately HK$117 million) for ASAT, of which the Group contributed USD7.5 million (equivalent to approximately HK$58 million). ASAT issued 300,000 convertible preferred shares for a total price of USD15 million (equivalent to approximately HK$117 million), representing an issue price of USD50 per convertible preferred share, to be purchased by AOF and the Group in equal proportions. In October 2005, the Group invested USD7.5 million (equivalent to approximately HK$58 million) for 150,000 convertible preferred shares for the equivalent amount at an issue price of USD50 per convertible preferred share at a preferred dividend rate of 13% per annum, payable semi-annually in arrears. Each convertible preferred share was, at any time and from time to time, convertible, at the option of the holder, into ordinary shares of ASAT at an adjusted conversion price resetting equal to USD0.065 per ordinary share (equivalent to USD0.975 per ADS), subject to customary adjustment for share splits, dividends, re-combinations and similar transactions. The contractual exercise period for conversion option was from 27th October, 2005 to 4th May, 2011.

As described in Note 7, on 11th February, 2010 the shareholders of ASAT passed resolutions to place ASAT into voluntary liquidation and appointed 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 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 commencement of voluntary liquidations of ASAT. In the opinions of the directors of the Company, as a result of such events, at 30th April, 2010, 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 for the year ended 30th April, 2010.

On 22nd September, 2010, the Grand Court of Cayman Islands ordered that ASAT was dissolved on 22nd October, 2010. The Group's investment in convertible preferred shares and derivative financial instruments were derecognised at the end of the reporting period. No gain or loss has been recognised upon derecognition.

9. BALANCES WITH A FORMER SUBSIDIARY

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 agreed with the Group to repay the outstanding amount included in other receivables due to the Group of HK$7,000,000, which was unsecured and interest-free, in seven monthly equal instalments from 1st September, 2010 to 31st March, 2011. The fair value of the other receivable at the date of disposal of TFIL was estimated to be HK$4 million which was determined based on a discount rate of 29.7%.

During the year, an impairment loss of approximately HK$842,000, in respect of the said balance, was recognised for the difference between the carrying amount as at 31st October, 2010 of HK$6,083,000 and the discounting effect of the expected future cash flow at the rate of approximately 29.7% according to the rescheduled repayment term. From 31st October, 2010, the Group had received repayment of HK$2,300,000 from TFIL according to schedule and recognised imputed interest income of HK$88,000. The carrying amount at 30th April, 2011 was HK$3,029,000, of which HK$2,035,000 and HK$994,000 was classified as current and non-current respectively.

In addition to the above, an impairment loss of HK$1,500,000 (2010: Nil) has been provided as full impairment of another balance with TFIL which was included in deposits and prepayments in the prior year.

10. TRADE AND OTHER RECEIVABLES

	2011	2010	1st May, 2009
	HK$'000	*HK$'000*	*HK$'000*
Trade receivables	**63,519**	68,562	32,099
Less: Allowance for bad and doubtful debts	**(277)**	(266)	(877)
	63,242	68,296	31,222
Receivable from a former subsidiary			
– due within one year *(Note 9)*	**2,035**	5,958	1,800
Others	**445**	1,875	986
	65,722	76,129	34,008

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:

	2011	2010
	HK$'000	*HK$'000*
Within 30 days	**28,642**	37,970
Between 31 and 60 days	**22,643**	23,026
Between 61 and 90 days	**8,601**	5,382
Over 90 days	**3,356**	1,918
	63,242	68,296

Before accepting any new customer, the Group will apply an internal credit assessment policy to assess the potential customer's credit quality and define credit limits by customer. Management closely monitors the credit quality of trade receivables. Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$19,507,000 (2010: HK$14,318,000) which are past due at the reporting date for which the Group has not provided for impairment loss, as there is no significant change in credit quality and the amounts still considered recoverable based on historical payment experience. The Group does not hold any collateral or credit enhancements over these balances.

11. AVAILABLE-FOR-SALE INVESTMENTS

	2011	2010	1st May, 2009
	HK$'000	*HK$'000*	*HK$'000*
Listed equity securities in Hong Kong, at fair value	**2,991**	4,785	4,272
Listed equity securities outside Hong Kong, at fair value	**–**	–	–
	2,991	4,785	4,272

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 company at 30th April, 2011 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%

Particulars of the investee company at 30th April, 2010 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 *(Note)*	Cayman Islands	Provision of assembly and testing of integrated circuits in the PRC	Ordinary shares	43.22%

Note: As described in Note 7, according to the Grand Court Order of Cayman Islands, ASAT was dissolved on 22nd October, 2010. The Group's interest in the available-for-sale investment was derecognised at the end of the reporting period. No gain or loss has been recognised upon derecognition.

In the prior year, ASAT's ADS traded on the Over-the-Counter Bulletin Board under the symbol "ASTTY.PK".

Melco is a company listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. The management expect that the investment will be disposed of within one year.

12. 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:

	2011	2010	1st May, 2009
	HK$'000	*HK$'000*	*HK$'000*
Trade payables			
Within 30 days	**10,187**	10,029	2,726
Between 31 and 60 days	**6,855**	7,875	2,033
Between 61 and 90 days	**3,705**	2,903	682
Over 90 days	**8,827**	5,162	2,506
	29,574	25,969	7,947
Other payables	**14,462**	9,027	5,029
	44,036	34,996	12,976

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.

13. EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000* *(Note)*	Capital redemption reserve *HK$'000*	Investment revaluation reserve *HK$'000*	Share options reserve *HK$'000*	Translation reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1st May, 2009	61,388	147,801	40,475	12,310	1,538	2,643	80	(192,929)	73,306
Exchange differences arising on translation	–	–	–	–	–	–	161	–	161
Gain on fair value changes of available-for-sale investment	–	–	–	–	513	–	–	–	513
Profit for the year	–	–	–	–	–	–	–	23,551	23,551
Total comprehensive income for the year	–	–	–	–	513	–	161	23,551	24,225
Recognition of equity-settled share-based payment	–	–	–	–	–	3,010	–	–	3,010
Issue of ordinary shares under employee share option plan	2	11	–	–	–	(4)	–	–	9
Transfer to accumulated losses	–	–	–	–	–	(394)	–	394	–
At 30th April, 2010	61,390	147,812	40,475	12,310	2,051	5,255	241	(168,984)	100,550
Exchange differences arising on translation	–	–	–	–	–	–	2	–	2
Loss on fair value changes of available-for-sale investment	–	–	–	–	(1,794)	–	–	–	(1,794)
Loss for the year	–	–	–	–	–	–	–	(13,153)	(13,153)
Total comprehensive income (expenses) for the year	–	–	–	–	(1,794)	–	2	(13,153)	(14,945)
Recognition of equity-settled share-based payment	–	–	–	–	–	750	–	–	750
Transfer to accumulated losses	–	–	–	–	–	(288)	–	288	–
At 30th April, 2011	61,390	147,812	40,475	12,310	257	5,717	243	(181,849)	86,355

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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, 2011.

With the improvement of the global economy since 2009, particularly in the consumer electronics and automobile sectors, demand for semiconductors and related products has showed continuing improvement and the Group has been able to expand its market, and the turnover of the Group grew by 8.8% to HK$353,998,000 (2010: HK$325,287,000). Despite that, the Group faced a challenging operating environment due to the rapidly rising material costs and inflationary pressures in the People's Republic of China (the "PRC") which had a direct impact on the operating performance of the Group. The price of copper and silver in April 2011 has increased by more than 27% and 160% respectively since April 2010. In addition, the increase in the minimum wage of more than 42% in May 2010 and March 2011 in the PRC required the Group to raise wages for both workers and supporting staff at our operations in the PRC. The continuing appreciation of Renminbi further intensified the impact of the rise of minimum wages and other operating costs for our production site in the PRC. The weakening US dollar against Japanese Yen and Euro also had a negative impact on our costs for materials imported from Japan and Europe resulting in the incurrence of an exchange loss. As a result, the Group incurred a net loss of HK$13,153,000 (2010: net profit of HK$23,551,000).

Although the Group was able to capture growth in the market for semiconductors, a significant surge in material costs, increase of minimum wages of the PRC since May 2010 and inflationary pressure fuelled higher operating costs in the PRC towards the second half of the financial year thereby affecting our profitability. The delay in transferring the increased materials and operating costs in full to the selling price during the second half of the financial year eroded badly the profitability and resulted in a higher ratio to 55% of materials and consumable used to turnover. Subsequently since March 2011, the Group has been able to adjust the cost and price structure and the Group has been able to pass on some of the rising costs in materials and operating overheads to these customers with which it has an established business relationship so that the profit margin improved and the Group has achieved operating profits since April 2011.

Due to the continuing rebound in market demand for semiconductors and leadframes, the Group achieved a growth in turnover by 8.8% to approximately HK$353,998,000 (2010: HK$325,287,000) for the year ended 30th April, 2011. However, it was challenging for the Group to maintain the same profitability as the last financial year in an operating environment with rising materials and operating costs in the PRC. As a result, the Group incurred a net loss attributable to equity shareholders of the Company of HK$13,153,000, compared to a consolidated net profit of HK$23,551,000 for the year ended 30th April, 2010. During the year, the steady appreciation of Renminbi and weakening US dollar resulted in the exchange loss of HK$4,200,000 against the exchange loss of HK$1,726,000 for the financial year ended 30th April, 2010. The financial results of the Group was also impacted by the non-cash expenses including share-based payment of HK$750,000 (2010: HK$3,010,000), a one off impairment loss on balances with a former subsidiary of HK$2,342,000 (2010: Nil), provision for inventories, bad and doubtful debts of HK$469,000 (2010: reverse of the provision HK$465,000). The adjusted EBITDA, computed as (loss) profit 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, amounted to HK$3,184,000 (2010: EBITDA of HK$39,316,000). Loss per share was HK$0.02 for the financial year ended 30th April, 2011 compared with earnings per share of HK$0.03 for the financial year ended 30th April, 2010.

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, 2011 was around 28% (2010: Nil).

Outlook

The Group continues to operate in a challenging environment as operating costs in the PRC are expected to increase further in the coming financial year. Material costs will continue to be at a high level with volatility given high commodity prices and projected inflationary pressure. The further rise of minimum wages in the PRC will impact our costs in the coming financial year.

To alleviate the above unfavourable operating environment, the Group is focusing on taking necessary initiatives to enhance production efficiency by way of improved production planning and to attain higher yields in materials consumption through innovative production methodology. The Group is also developing new sourcing channels to find more stable supplies of materials with better terms. Further, the Group continues to exercise tight control on costs and capital expenditure with a cautious approach in investing in connection to better production yield and product quality. Re-engineering of the production process and better materials planning are in place to build greater flexibility in our internal operating system to adjust quickly to market demand and materials prices. The management will also monitor the market demand frequently to adjust the labour force and labour structure to achieve better staff mix to enhance labour efficiency. Through the above measures, the Group expects to minimise the cost pressure and to achieve further business growth.

Financial Review

During the year under review, the Group continued to maintain prudent financial management policies. As at 30th April, 2011, the Group's total outstanding debts of HK$33,320,000 (2010: HK$17,951,000) comprised of HK$13,358,000 (2010: HK$2,772,000) of trust receipt loans and bill payables, HK$7,786,000 (2010: HK$4,113,000) of other bank loans, HK$1,637,000 (2010: HK$527,000) of finance lease and HK$10,539,000 (2010: HK$10,539,000) of loan from a director. In terms of interest bearing, HK$22,781,000 (2010: HK$7,412,000) was interest bearing and HK$10,539,000 (2010: HK$10,539,000) was interest free.

The current ratio of the Group, calculated by dividing the total current assets by the total current liabilities, was approximately 1.3:1 as at 30th April, 2011 (2010: approximately 1.6:1).

Distribution

The directors do not recommend the payment of a final dividend for the year (2010: Nil).

Pledge of Assets

As at 30th April, 2011, plant and equipment with a carrying value of HK$2,488,000 (2010: HK$5,849,000) and trade receivables with a carrying value of HK$3,583,000 (2010: Nil) were pledged to secure certain banking facilities, bank loan and finance leases granted to the Group.

Capital expenditure

During the year ended 30th April, 2011, the Group invested around HK$19,954,000 (2010: HK$7,511,000) in acquiring property, plant and equipment. This capital expenditure was financed mainly from internal financial resources.

Employees and Emolument Policy

As at 30th April, 2011, the Group employed approximately 1,267 employees (2010: 1,364 employees). 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 fees of the directors and emoluments of 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 benchmark 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 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 year under review and up to the date of this Annual Results, 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, 2011 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.hkexnews.hk) and the Company (http://www.qpl.com). The Company's annual report for the year ended 30th April, 2011 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 devotion and hard work in the past and the valuable commitment from our business partners and shareholders to the Group over the years.

By Order of the Board
Li Tung Lok
Chairman

Hong Kong, 28th July, 2011

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).