QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 243)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2011

FINANCIAL HIGHLIGHTS

	Six months ended 31 October		Increase (decrease)	
	2011	2010	Amount	%
Turnover *(HK$'000)*	**158,816**	215,885	(57,069)	(26)
(Loss) profit for the period *(HK$'000)*	**(1,883)**	4,401	(6,284)	(143)
EBITDA *(HK$'000)(Note 1)*	**5,220**	11,633	(6,413)	(55)
(Loss) earnings per share *(HK$)*	**(0.002)**	0.006	(0.008)	(133)

	As at 31 October 2011	As at 30 April 2011	Decrease in %
Net debt gearing ratio (%) *(Note 2)*	**23%**	28%	(5%)

Notes:

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

2. Net debt gearing ratio is defined as total debts, including borrowings, obligations under finance leases, trust receipt loans and bill payables less bank balances and cash over shareholders' equity.

The Board of Directors (the "Board" or "Directors") of QPL International Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 31 October 2011 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 2011

		Six months ended 31 October	
		2011	2010
	NOTES	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Turnover	*3*	**158,816**	215,885
Other income	*4*	**7,128**	9,600
Exchange loss, net		**(1,182)**	(2,477)
Changes in inventories of finished goods and work in progress		**(3,914)**	873
Raw materials and consumables used		**(78,149)**	(115,469)
Staff costs		**(36,217)**	(45,799)
Depreciation of property, plant and equipment		**(6,077)**	(5,368)
Impairment loss on balances with a former subsidiary		**–**	(1,592)
Impairment loss on available-for-sale investment		**(1,025)**	–
Other expenses		**(40,263)**	(50,485)
Interest on bank and other loans wholly repayable within five years		**(403)**	(201)
(Loss) profit before taxation		**(1,286)**	4,967
Taxation	*5*	**(597)**	(566)
(Loss) profit for the period	*6*	**(1,883)**	4,401
Other comprehensive (expenses) income:			
Exchange differences arising on translation		**6**	(61)
Loss on fair value changes of available-for-sale investment		**(1,282)**	(2,051)
Impairment loss on available-for-sale investment recycled to loss for the period		**1,025**	–
Total comprehensive (expenses) income for the period		**(2,134)**	2,289
		HK$	*HK$*
(Loss) earnings per share			
Basic and diluted	*8*	**(0.002)**	0.006

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 OCTOBER 2011

	NOTES	**31 October 2011** *HK$'000* **(Unaudited)**	30 April 2011 *HK$'000* (Audited)
Non-current assets			
Property, plant and equipment		**56,934**	60,066
Available-for-sale investment	*9*	**1,709**	–
Other receivable		**–**	994
Advance payment for property, plant and equipment		**2,633**	838
		61,276	61,898
Current assets			
Inventories		**31,964**	46,121
Trade and other receivables	*10*	**60,090**	65,722
Deposits and prepayments		**4,061**	4,339
Available-for-sale investment	*9*	**–**	2,991
Bank balances and cash		**10,082**	8,952
		106,197	128,125
Current liabilities			
Trade and other payables	*11*	**29,633**	44,036
Trust receipt loans and bill payables		**14,269**	13,358
Deposits and accrued expenses		**20,552**	22,341
Taxation payable		**739**	741
Borrowings		**13,970**	18,325
Obligations under finance leases		**863**	1,375
		80,026	100,176
Net current assets		**26,171**	27,949
		87,447	89,847
Capital and reserves			
Share capital		**61,390**	61,390
Share premium and reserves		**22,831**	24,965
Equity attributable to the owners of the Company	*12*	**84,221**	86,355
Non-current liabilities			
Accrued rental expenses		**3,065**	3,229
Obligations under finance leases		**160**	262
Deferred taxation		**1**	1
		3,226	3,492
		87,447	89,847

NOTES :

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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 and methods of computation used in the condensed consolidated financial statements for the six months ended 31 October 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2011. In addition, in the current interim period, the Group has applied, for the first time, the following new and revised standards and interpretations ("new and revised HKFRSs") issued by the HKICPA:

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKAS 24 (Revised 2009)	Related Party Disclosures
HK(IFRIC)-Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the new and revised HKFRSs has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

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

HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[1]
HKFRS 9	Financial Instruments[2]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[3]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[4]
HKAS 19 (Revised 2011)	Employee Benefits[2]
HKAS 27 (Revised 2011)	Separate Financial Statements[2]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[2]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2013
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2012

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 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 SEGMENTAL INFORMATION

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

An additional reportable segment, Thailand (which was previously grouped under "Other Asian countries"), is newly presented for the six months ended 31 October 2011 and the comparatives were re-presented accordingly.

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

	Turnover Six months ended 31 October		Segment results Six months ended 31 October	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
External sales				
United States of America (the "USA")	**19,159**	29,146	**840**	2,533
The People's Republic of China (the "PRC")	**60,390**	86,280	**2,961**	8,058
Singapore	**14,453**	11,534	**796**	1,200
Thailand	**13,427**	15,055	**740**	1,567
Philippines	**10,581**	11,806	**583**	1,218
Hong Kong	**9,611**	7,503	**166**	988
Malaysia	**5,366**	23,498	**296**	2,445
Europe	**1,492**	1,642	**81**	171
Reportable segment total	**134,479**	186,464	**6,463**	18,180
Other Asian countries	**27,689**	31,060	**1,518**	3,187
	162,168	217,524	**7,981**	21,367
Eliminations	**(3,352)**	(1,639)	**–**	–
Group's turnover and segment results	**158,816**	215,885	**7,981**	21,367
Depreciation of property, plant and equipment			**(6,077)**	(5,368)
Impairment loss on balances with a former subsidiary			**–**	(1,592)
Impairment loss on available-for-sale investment			**(1,025)**	–
Loss on disposal of property, plant and equipment			**(33)**	–
Unallocated corporate management expenses			**(2,695)**	(9,867)
Imputed interest income on non-current interest-free other receivable			**964**	625
Unallocated interest income			**2**	3
Interest on bank and other loans wholly repayable within five years			**(403)**	(201)
(Loss) profit before taxation			**(1,286)**	4,967

Included in the USA and PRC reportable segments are revenue from inter-segments of HK$3,189,000 (2010: HK$1,587,000) and HK$163,000 (2010: HK$52,000) respectively.

Segment profit represents the profit from each segment without allocation of directors' remuneration, corporate management expenses, depreciation, impairment loss on balances with a former subsidiary, impairment loss on available-for-sale investment, loss on disposal of property, plant and equipment, imputed interest income on non-current interest-free other receivable and finance costs. This is the measure reported to the Group's chief decision maker for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

4. OTHER INCOME

	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sales of by-products and scrap	**5,979**	8,794
Imputed interest income on non-current interest-free other receivable	**964**	625
Sundry income	**183**	178
Interest income on bank deposits	**2**	3
	7,128	9,600

5. TAXATION

	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The charge comprises:		
PRC Enterprise Income Tax	**597**	566

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising from Hong Kong for the six months ended 31 October 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 incurred tax losses for the six months ended 31 October 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 1 January 2008 onwards.

6. (LOSS) PROFIT FOR THE PERIOD

	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss) profit for the period had been arrived at after charging the following items:		
Salaries, wages and other staff benefits	**35,046**	43,866
Retirement benefits scheme contribution	**1,171**	1,261
Equity-settled share-based payment expenses	**–**	672
Total staff costs *(Note)*	**36,217**	45,799
Repair and maintenance expenses	**5,943**	11,535

Note: For the period ended 31 October 2011, Mr. Li Tung Lok ("Mr. Li"), a director of the Company, waived emoluments of HK$6,000,000 (2010: HK$7,895,000, which was included under salaries, wages and other benefits for the period ended 31 October 2010 but subsequently waived during the second half of the year ended 30 April 2011).

7. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31 October 2011 (2010: Nil).

8. (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:

	Six months ended 31 October	
	2011	2010
	(Unaudited)	(Unaudited)
(Loss) profit for the purposes of basic and diluted (loss) earnings per share	**(HK$1,883,000)**	HK$4,401,000
Weighted average number of ordinary shares for the purpose of calculating basic and diluted (loss) earnings per share	**767,373,549**	767,373,549

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 periods ended 31 October 2011 and 2010.

9. AVAILABLE-FOR-SALE INVESTMENT

	At 31 October 2011	At 30 April 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Listed equity securities in Hong Kong, at fair value		
Amount shown under current assets	**–**	2,991
Amount shown under non-current assets	**1,709**	–
	1,709	2,991

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

Particular of the investee company at 31 October 2011 and 30 April 2011 is 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 lottery-related technologies, systems and solutions	Ordinary shares	3.4%

Melco is a company listed on the Growth Enterprise Market of the Stock Exchange. At 31 October 2011, the fair value of the available-for-sale investment was below its cost and accordingly, impairment loss of HK$1,025,000 has been recognised during the period ended 31 October 2011 (2010: Nil). The management expects that the investment will be held more than one year and accordingly, the available-for-sale investment is classified as non-current asset.

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 2011 *HK$'000* **(Unaudited)**	At 30 April 2011 *HK$'000* (Audited)
Trade receivables		
Within 30 days	**18,276**	28,642
Between 31 and 60 days	**19,040**	22,643
Between 61 and 90 days	**11,788**	8,601
Over 90 days	**9,893**	3,356
	58,997	63,242
Receivable from a former subsidiary	**293**	2,035
Others	**800**	445
	60,090	65,722

11. 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 2011 *HK$'000* **(Unaudited)**	At 30 April 2011 *HK$'000* (Audited)
Trade payables		
Within 30 days	**3,264**	10,187
Between 31 and 60 days	**6,506**	6,855
Between 61 and 90 days	**4,839**	3,705
Over 90 days	**5,915**	8,827
	20,524	29,574
Other payables	**9,109**	14,462
	29,633	44,036

12. EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

	Share capital HK$'000	Share premium HK$'000	Contributed surplus HK$'000	Capital redemption reserve HK$'000	Investment revaluation reserve HK$'000	Share options reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 May 2010 (audited)	61,390	147,812	40,475	12,310	2,051	5,255	241	(168,984)	100,550
Exchange differences arising on translation	–	–	–	–	–	–	(61)	–	(61)
Loss on fair value changes of available-for-sale investment	–	–	–	–	(2,051)	–	–	–	(2,051)
Profit for the period	–	–	–	–	–	–	–	4,401	4,401
Total comprehensive (expenses) income for the period	–	–	–	–	(2,051)	–	(61)	4,401	2,289
Recognition of equity-settled share-based payment	–	–	–	–	–	672	–	–	672
Transfer to accumulated losses	–	–	–	–	–	(138)	–	138	–
At 31 October 2010 (unaudited)	61,390	147,812	40,475	12,310	–	5,789	180	(164,445)	103,511
At 1 May 2011 (audited)	**61,390**	**147,812**	**40,475**	**12,310**	**257**	**5,717**	**243**	**(181,849)**	**86,355**
Exchange differences arising on translation	**–**	**–**	**–**	**–**	**–**	**–**	**6**	**–**	**6**
Loss on fair value changes of available-for-sale investment	**–**	**–**	**–**	**–**	**(1,282)**	**–**	**–**	**–**	**(1,282)**
Impairment loss on available-for-sale investment recycled to loss for the period	**–**	**–**	**–**	**–**	**1,025**	**–**	**–**	**–**	**1,025**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,883)**	**(1,883)**
Total comprehensive (expenses) income for the period	**–**	**–**	**–**	**–**	**(257)**	**–**	**6**	**(1,883)**	**(2,134)**
Transfer to accumulated losses	**–**	**–**	**–**	**–**	**–**	**(232)**	**–**	**232**	**–**
At 31 October 2011 (unaudited)	**61,390**	**147,812**	**40,475**	**12,310**	**–**	**5,485**	**249**	**(183,500)**	**84,221**

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group reported a turnover of HK$158,816,000 for the six months ended 31 October 2011, representing a decrease of 26% as compared with HK$215,885,000 for the same period last year. The decrease reflected customer demand weakened by market sentiment and disruption to customer production caused by extensive flooding in Thailand. Geographically, the PRC and other Asian countries (mainly Indonesia, India, Korea, Taiwan) continued to be the Group's largest major market sectors, which contributed 37.9% (2010: 39.9%) and 17.4% (2010: 14.4%) respectively of the Group's turnover for the period under review.

The Group's financial performance was also affected by increases in the cost of materials, labour and other operating costs. Global economic growth in emerging economies fueled the significant rise in global commodity prices, which in turn set in motion the increase in cost of raw materials. The rise in minimum wages in the PRC in line with the inflationary pressure resulted in an increase in labour costs. In addition, operating costs in the PRC were affected by the steady appreciation of Chinese Renminbi. Although the Group operated in a challenging environment, it strived to maintain profitability by increasing the prices of major products and production yield. In the end, the Group incurred a net loss for the period amounting to HK$1,883,000 (2010: Profit of HK$4,401,000). The interim results of the Group was also impacted by the imputed interest income of HK$964,000 (2010: HK$625,000) and total impairment losses of HK$1,025,000 (2010: HK$1,592,000). The adjusted EBITDA, computed as (loss) profit before tax plus depreciation, finance costs, share-based payments expense, the provision of inventories and bad and doubtful debts, impairment losses and imputed interest income, amounted to HK$5,220,000 (2010: HK$11,633,000). Loss per share was HK0.02 cents (2010: Earnings per share was HK0.06 cents).

OUTLOOK

The Directors believe that uncertainty in the economic recovery in the USA and the outcome of the European sovereign debt crisis will cloud worldwide economic prospects. This doubt in turn would dampen demand for consumer electronics and integrated circuit products. While the recent trend for commodity prices to stabilize and the slowdown of inflation in the PRC offer some relief, the outlook of the operating environment remains challenging.

To overcome the challenges ahead, the Group continues to exercise tight controls to mitigate the inflationary impact on our costs and improve our product quality to secure orders. Measures are also being implemented to pass on certain cost increases to customers in order to maintain margins. Further, the Group continues to review its existing product mix and customer portfolio to focus more on the high margin products.

FINANCIAL REVIEW

During the period under review, the Group continues to maintain a cautious financial policy in managing working capital to achieve a healthy liquidity position. At the same time, the Group continues 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$10,082,000 as at 31 October 2011 (30 April 2011: HK$8,952,000). To finance the increased working capital, the Group's total outstanding debts were decreased to HK$29,262,000 as at 31 October 2011 (30 April 2011: HK$33,320,000) comprised of HK$14,269,000 (30 April 2011: HK$13,358,000) of trust receipt loans and bill payables, HK$3,431,000 (30 April 2011: HK$7,786,000) of unsecured bank loan, HK$1,023,000 (30 April 2011: HK$1,637,000) of obligations under finance leases and HK$10,539,000 (30 April 2011: HK$10,539,000) loan from a director. In terms of interest bearing, HK$18,723,000 (30 April 2011: HK$22,781,000) was interest bearing and HK$10,539,000 (30 April 2011: HK$10,539,000) was interest free.

Net debt gearing ratio was maintained at 23% as at 31 October 2011 (30 April 2011: 28%).

DISTRIBUTION

The Directors do not recommend the payment of an interim dividend for the period under review (2010: Nil).

PLEDGE OF ASSETS

As at 31 October 2011, plant and equipment with a carrying value of approximately of HK$2,301,000 (30 April 2011: HK$2,488,000) was pledged to secure finance leases granted to the Group.

CAPITAL EXPENDITURE

During the period under review, the Group invested approximately HK$2,988,000 (2010: HK$10,470,000) in acquiring property, plant and equipment. This capital expenditure was financed mainly from internal financial resources.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 October 2011, the Group employed approximately 1,010 employees as compared to approximately 1,267 employees as at 30 April 2011. The Group continues to maintain its remuneration policy comprising salary and other benefits including a share option scheme as an integral part of the Total Quality Management.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

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

Throughout the six months ended 31 October 2011 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.

Chairman and Chief Executive Officer

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 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 ("CEO") 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 CEO 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.

Appointments, re-election and removal

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 exempted from retirement by rotation by virtue of Bermuda law) 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 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.

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

AUDIT COMMITTEE

The audit committee of the Company (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 2011 under review and up to the date of this interim 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 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 interim report for the six months ended 31 October 2011 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 2011 under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, 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 interim report for the six months ended 31 October 2011 containing all information required by the Listing Rules will be despatched to the shareholders of the Company 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
QPL International Holdings Limited
Li Tung Lok
Executive Chairman and Chief Executive Officer

Hong Kong, 20 December 2011

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Li Tung Lok (Executive Chairman and Chief Executive Officer) and Mr. Phen Hoi Ping, Patrick and three Independent Non-executive Directors, namely Mr. Robert Charles Nicholson, Mr. Sze Tsai To, Robert and Mr. Wong Chun Bong, Alex.