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QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 243)

ANNUAL RESULTS FOR THE YEAR ENDED 30TH APRIL, 2012

FINANCIAL HIGHLIGHTS

	Audited results for the year ended 30th April,		
	2012	2011	**Increase (decrease)**
Turnover *(HK$'000)*	**279,131**	353,998	(74,867)
Loss for the year *(HK$'000)*	**(6,487)**	(13,153)	(6,666)
Loss per share *(HK$)*	**(0.01)**	(0.02)	(0.01)
EBITDA *(HK$'000) (Note 1)*	**5,337**	2,471	2,866
	(Audited) As at 30th April, 2012	(Audited) As at 30th April, 2011	**Decrease**
Net debt gearing ratio *(%) (Note 2)*	**14%**	28%	(14%)

Notes :

1. Earnings before interest, tax, depreciation and amortisation ("EBITDA") is computed as loss before tax plus depreciation, interest on bank and other loans, share-based payments expense, the provision of inventories and bad and doubtful debts, impairment loss on available-for-sale investment, impairment loss on balances with a former subsidiary and less reversal of provision of inventories, reversal of impairment loss on balances with a former subsidiary and imputed interest income.

2. Net debt gearing ratio is defined as total debts, including borrowings, obligations under finance leases, trust receipt loans and bills payable 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 audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 30th April, 2012 together with the comparative figures for the year ended 30th April, 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH APRIL, 2012

	NOTES	**2012** **HK$'000**	2011 *HK$'000*
Turnover	*3*	**279,131**	353,998
Other income	*4*	**11,956**	14,711
Exchange loss, net		**(2,090)**	(4,200)
Changes in inventories of finished goods and work in progress		**(5,489)**	4,593
Raw materials and consumables used		**(135,246)**	(199,880)
Staff costs		**(67,656)**	(74,134)
Depreciation of property, plant and equipment		**(12,516)**	(10,962)
Reversal of (recognition of) impairment losses on balances with a former subsidiary		**1,999**	(2,342)
Impairment loss on available-for-sale investment		**(1,025)**	–
Other expenses		**(73,850)**	(93,123)
Interest on bank and other loans wholly repayable within five years		**(711)**	(786)
Loss before taxation		**(5,497)**	(12,125)
Taxation	*5*	**(990)**	(1,028)
Loss for the year	*6*	**(6,487)**	(13,153)
Other comprehensive income (expense):			
Exchange differences arising on translation		**24**	2
Net loss on fair value changes of available-for-sale investment		**(940)**	(1,794)
Impairment loss on available-for-sale investment recycled to loss for the year		**1,025**	–
Other comprehensive income (expense) for the year		**109**	(1,792)
Total comprehensive expense for the year		**(6,378)**	(14,945)
		HK$	*HK$*
Loss per share	*8*		
Basic and diluted		**(0.01)**	(0.02)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30TH APRIL, 2012

	NOTES	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment		**54,794**	60,066
Available-for-sale investment	*9*	**2,051**	–
Other receivable	*10*	**–**	994
Advance payment for property, plant and equipment		**4,638**	838
		61,483	61,898
Current assets			
Inventories		**28,301**	46,121
Trade and other receivables	*11*	**53,988**	65,722
Deposits and prepayments		**3,132**	4,339
Available-for-sale investment	*9*	**–**	2,991
Bank balances and cash		**13,878**	8,952
		99,299	128,125
Current liabilities			
Trade and other payables	*12*	**30,381**	44,036
Trust receipt loans and bills payable		**10,719**	13,358
Deposits and accrued expenses		**21,377**	22,341
Taxation payable		**734**	741
Borrowings		**14,185**	18,325
Obligations under finance leases		**452**	1,375
		77,848	100,176
Net current assets		**21,451**	27,949
		82,934	89,847
Capital and reserves			
Share capital		**61,390**	61,390
Share premium and reserves		**18,587**	24,965
Equity attributable to owners of the Company	*13*	**79,977**	86,355
Non-current liabilities			
Accrued rental expenses		**2,902**	3,229
Obligations under finance leases		**54**	262
Deferred taxation		**1**	1
		2,957	3,492
		82,934	89,847

NOTES:

1. BASIS OF PREPARATION

The Group's 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 Group's consolidated financial statements included applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

The Group's consolidated financial statements have been prepared on the historical cost basis except for available-for-sale investment, that is measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

2. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKAS 24 (as revised in 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 application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported or disclosures set out in the Group's consolidated financial statements.

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

HKAS 1 (Amendments)	Presentation of items of other comprehensive income[2]
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets[3]
HKAS 19 (as revised in 2011)	Employee benefits[4]
HKAS 27 (as revised in 2011)	Separate financial statements[4]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[4]
HKAS 32 (Amendments)	Offsetting financial assets and financial liabilities[5]
HKFRSs (Amendments)	Annual improvements to HKFRSs 2009-2011 cycle[4]
HKFRS 1 (Amendments)	Government loan[4]
HKFRS 7 (Amendments)	Disclosures – Transfers of financial assets[1]
HKFRS 7 (Amendments)	Disclosures – Offsetting financial assets and financial liabilities[4]
HKFRS 9	Financial instruments[6]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory effective date of HKFRS 9 and transition disclosures[6]
HKFRS 10	Consolidated financial statements[4]
HKFRS 11	Joint arrangements[4]
HKFRS 12	Disclosure of interests in other entities[4]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidation financial statements, joint arrangements and disclosure of interests in other entities: transition guidance[4]
HKFRS 13	Fair value measurement[4]
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine[4]

[1] Effective for annual periods beginning on or after 1st July, 2011.
[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, 2014.
[6] Effective for annual periods beginning on or after 1st January, 2015.

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 "*Financial instruments: Recognition and measurement*" to be subsequently measured at 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 reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. 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 recognition 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.

The Directors anticipate that HKFRS 9 will be adopted by the Group for the annual period beginning on 1st May, 2015. Except for the Group's available-for-sale investment, the adoption of HKFRS 9 has no other impact on amounts reported in respect of the classification and measurement of the Group's other financial assets and financial liabilities as at 30th April, 2012. In the opinion of the Directors, it is not practicable to provide a reasonable estimate of the effect on the Group's available-for-sale investment until a detailed review has been completed.

HKFRS 13 Fair value measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad and it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "*Financial instruments: Disclosures*" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The Directors anticipate that HKFRS 13 will be adopted by the Group for the annual period beginning on 1st May, 2013 and that the application of the new standard may result in more extensive disclosures about fair value measurements in the Group's consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for the Group for annual period beginning on 1st May, 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Other than as described above, the Directors anticipate that the application of other new and revised HKFRSs will have no material impact on the Group's financial performance and position and/or on the disclosures set out in the Group's consolidated financial statements.

3. TURNOVER AND SEGMENTAL INFORMATION

Turnover

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

Segmental Information

Information reported to the executive Directors, 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 represented aggregation of other non-reportable operating segments under HKFRS 8).

3. **TURNOVER AND SEGMENTAL INFORMATION – continued**

Segmental Information – continued

Segment revenues and results

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

	Turnover		**Segment results**	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The USA	**41,961**	43,005	**1,522**	353
Hong Kong	**15,375**	8,764	**636**	179
Europe	**2,823**	4,028	**137**	114
The PRC	**127,196**	135,424	**4,310**	1,594
Philippines	**19,558**	21,824	**962**	575
Malaysia	**12,399**	37,761	**610**	1,067
Singapore	**23,550**	23,853	**1,159**	673
Reportable segment total	**242,862**	274,659	**9,336**	4,555
Other Asian countries	**42,054**	82,808	**2,069**	2,219
	284,916	357,467	**11,405**	6,774
Eliminations	**(5,785)**	(3,469)	**–**	–
Group's turnover and segment results	**279,131**	353,998	**11,405**	6,774
Depreciation of property, plant and equipment			**(12,516)**	(10,962)
Reversal of (recognition of) impairment losses on balances with a former subsidiary			**1,999**	(2,342)
Impairment loss on available-for-sale investment			**(1,025)**	–
(Loss) gain on disposal of property, plant and equipment			**(33)**	20
Imputed interest income on non-current interest-free other receivable			**632**	713
Unallocated interest income			**6**	6
Unallocated corporate management expenses			**(5,254)**	(5,548)
Interest on bank and other loans wholly repayable within five years			**(711)**	(786)
Loss before taxation			**(5,497)**	(12,125)

Included in the USA and the PRC reportable segments are revenue from inter-segments of HK$5,287,000 (2011: HK$3,308,000) and HK$498,000 (2011: HK$161,000) respectively.

3. **TURNOVER AND SEGMENTAL INFORMATION – continued**

Segmental Information – continued

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, reversal of (recognition of) impairment losses on balances with a former subsidiary, impairment loss on available-for-sale investment, (loss) gain on disposal of property, plant and equipment, imputed interest income on non-current interest-free other receivable, interest income on bank deposits and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Intersegment sales are charged at prevailing market rates.

4. **OTHER INCOME**

	2012	2011
	HK$'000	*HK$'000*
Sales of by-products and scrap	**11,042**	13,746
Imputed interest income on non-current interest-free other receivable	**632**	713
Gain on disposal of property, plant and equipment	**–**	20
Interest income on bank deposits	**6**	6
Sundry income	**276**	226
	11,956	14,711

5. **TAXATION**

	2012	2011
	HK$'000	*HK$'000*
The charge comprises:		
Current tax:		
PRC Enterprise Income Tax	**(990)**	(1,027)
Deferred tax	**–**	(1)
	(990)	(1,028)

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 for both years.

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

6. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging the following items:

	2012	2011
	HK$'000	*HK$'000*
Salaries, wages and other staff benefits	**65,549**	70,924
Retirement benefits scheme contribution	**2,107**	2,460
Equity-settled share-based payment expenses	**–**	750
Total staff costs *(Note)*	**67,656**	74,134
Depreciation of property, plant and equipment	**12,516**	10,962
Repair and maintenance expenses	**10,958**	18,723
Loss on disposal of property, plant and equipment	**33**	–
(Reversal of) write down of inventories (included in raw materials and consumables used)	**(1,054)**	458
Allowance for bad and doubtful debts, net	**267**	11
Auditor's remuneration	**1,144**	1,345
Operating lease rentals in respect of premises	**9,026**	9,351

Note: For the year ended 30th April, 2012, Mr. Li Tung Lok ("Mr. Li"), a director of the Company, waived emoluments of HK$12,069,000 (2011: HK$15,664,000). Other than this, there was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 30th April, 2012 and 2011.

7. DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 30th April, 2012 (2011: nil).

8. LOSS PER SHARE

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

	2012	2011
Loss for the purposes of basic and diluted loss per share	**HK$6,487,000**	HK$13,153,000
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	**767,373,549**	767,373,549

The computation of diluted loss 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 years ended 30th April, 2012 and 2011.

9. AVAILABLE-FOR-SALE INVESTMENT

	2012	2011
	HK$'000	*HK$'000*
Listed equity securities in Hong Kong, at fair value		
Amount shown under current assets	**–**	2,991
Amount shown under non-current assets	**2,051**	–
	2,051	2,991

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

Particulars of the investee company as at 30th April, 2012 and 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 lottery-related technologies, systems and solutions	Ordinary shares	3.4%

Melco is a company listed on the Growth Enterprise Market of the Stock Exchange. As at 31st October, 2011, an objective evidence of impairment was considered to exist amid the presence of a significant and prolonged decline in the fair value of the available-for-sale investment and accordingly, impairment loss of HK$1,025,000 had been recognised and reclassified into loss for the year. As at 30th April, 2012, the fair value of the available-for-sale investment has increased and such increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in the investment revaluation reserve.

As at 30th April, 2012, the management expects that the investment will be held for more than one year and accordingly, the available-for-sale investment is reclassified as non-current asset.

10. 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 approximately HK$4 million which was determined based on a discount rate of 29.7%.

During the year ended 30th April, 2011, 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. An impairment loss of HK$1,500,000 was also recognised on another balance with TFIL which was included in deposits and prepayments in prior years.

During the year ended 30th April, 2012, the Group received full repayment of HK$4,200,000 from TFIL and recognised imputed interest income of HK$632,000 and a reversal of impairment loss on balances with a former subsidiary of HK$539,000 in profit or loss. In addition, the Group received repayment of HK$1,460,000 from TFIL of which an impairment loss was previously recognised on such balance. Accordingly, a reversal of impairment loss on balances with a former subsidiary was recognised in profit or loss for the year ended 30th April, 2012.

11. TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**53,505**	63,519
Less: Allowance for bad and doubtful debts	**(516)**	(277)
	52,989	63,242
Receivable from a former subsidiary		
– due within one year *(Note 10)*	**–**	2,035
Others	**999**	445
	53,988	65,722

11. TRADE AND OTHER RECEIVABLES – continued

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:

	2012	2011
	HK$'000	*HK$'000*
Within 30 days	**21,825**	28,642
Between 31 and 60 days	**18,192**	22,643
Between 61 and 90 days	**10,801**	8,601
Over 90 days	**2,171**	3,356
	52,989	63,242

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$22,079,000 (2011: HK$19,507,000) 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.

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:

	2012	2011
	HK$'000	*HK$'000*
Trade payables		
Within 30 days	**6,734**	10,187
Between 31 and 60 days	**3,235**	6,855
Between 61 and 90 days	**4,708**	3,705
Over 90 days	**4,444**	8,827
	19,121	29,574
Other payables	**11,260**	14,462
	30,381	44,036

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 are within the credit timeframe.

13. EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000* *(Note 1)*	Capital redemption reserve *HK$'000* *(Note 2)*	Investment revaluation reserve *HK$'000*	Share options reserve *HK$'000*	Translation reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
At 1st May, 2010	61,390	147,812	40,475	12,310	2,051	5,255	241	(168,984)	100,550
Loss for the year	–	–	–	–	–	–	–	(13,153)	(13,153)
Other comprehensive (expense) income for the year	–	–	–	–	(1,794)	–	2	–	(1,792)
Total comprehensive (expense) income for the year	–	–	–	–	(1,794)	–	2	(13,153)	(14,945)
Recognition of equity-settled share-based payment	–	–	–	–	–	750	–	–	750
Forfeiture of share options	–	–	–	–	–	(288)	–	288	–
At 30th April, 2011	61,390	147,812	40,475	12,310	257	5,717	243	(181,849)	86,355
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(6,487)**	**(6,487)**
Other comprehensive income for the year	**–**	**–**	**–**	**–**	**85**	**–**	**24**	**–**	**109**
Total comprehensive income (expense) for the year	**–**	**–**	**–**	**–**	**85**	**–**	**24**	**(6,487)**	**(6,378)**
Forfeiture of share options	**–**	**–**	**–**	**–**	**–**	**(969)**	**–**	**969**	**–**
At 30th April, 2012	**61,390**	**147,812**	**40,475**	**12,310**	**342**	**4,748**	**267**	**(187,367)**	**79,977**

Notes:

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

2. Capital redemption reserve represents the excess of the consideration paid for repurchase of the Company's ordinary shares over the par value of respective repurchased shares.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the year under review, the Group reported a turnover of HK$279,131,000, representing a decrease of 21% as compared with HK$353,998,000 for the last year. Nevertheless, the management took effective steps to control costs in light of the falling revenues. Accordingly, the Group's consolidated loss for the year was HK$6,487,000, which was lower than last year's loss of HK$13,153,000. Basic loss per share was HK1 cent (2011: HK2 cents).

Dividend

The Directors do not recommend the payment of a dividend for the year (2011: nil).

Business Review

The Group faced many challenges in the tough business environment in this financial year. After the buoyant business performance of the previous year, turnover slowed in the first half of this year because of weakened customer demand caused by looming economic uncertainty. The situation deteriorated further in the second half of the year on the back of the sovereign debt crises in Europe and disruptions at the production facilities of certain major customers caused by the extensive flooding in Thailand. As a result, the Group experienced a sharp contraction in turnover over the second half of the year. Taken as a whole, revenue for the year did not meet expectations. By geographical distribution, the PRC and the Asian countries (which included Hong Kong, Philippines, Malaysia, Singapore, Thailand, Indonesia, India and Korea) were the top markets, which contributed 45% (2011: 38%) and 40% (2011: 49%) respectively of the Group's turnover for the year.

In terms of cost of materials and operating costs, the Group also encountered unfavourable conditions. In the first half of the year, global economic growth in emerging economies fueled a significant rise in global commodity prices, which resulted in an increase in the cost of raw materials. The rise in operating costs in the PRC and the steady appreciation of the Chinese Renminbi undercut profit margins. Nevertheless, the rising trend of cost of materials and operating costs abated in the second half of the year. Commodity prices dropped in response to the economic downturn and operating costs stabilised as a result of monetary measures undertaken in the PRC to tame inflation.

In order to alleviate the adverse effects brought on by market conditions and the increased level of costs, actions were taken to control costs of materials and manufacturing costs. Through increasing product price, improving production efficiency, reducing expenditure on labour, trimming consumable materials, careful regulation of inventory and stringent control of expenditure, the Group managed to increase its margins and lower its total operating costs, thereby sustaining its competitive edge. As a result, the net loss for the year was lower than it would otherwise have been, given the 21% decrease in turnover.

Liquidity and Financial Resources

The Group's cash and bank balances amounted to HK$13,878,000 as at 30th April, 2012 (2011: HK$8,952,000). To finance its working capital, the Group's total outstanding debts were HK$25,410,000 as at 30th April, 2012 (2011: HK$33,320,000), which comprised HK$10,719,000 (2011: HK$13,358,000) of trust receipt loans and bills payable; HK$3,646,000 (2011: HK$7,786,000) of unsecured bank loan; HK$506,000 (2011: HK$1,637,000) of obligations under finance leases; and a HK$10,539,000 (2011: HK$10,539,000) loan from a director. In terms of interest cost, HK$14,871,000 (2011: HK$22,781,000) was interest bearing and HK$10,539,000 (2011: HK$10,539,000) was interest free.

The net debt gearing ratio was maintained at 14% as at 30th April, 2012 (2011: 28%).

Foreign Exchange Risk Management

The Group's transactions are primarily denominated in Hong Kong dollars, United States dollars and Chinese Renminbi. The Group has not implemented any formal hedging policy. However, the Group monitors its foreign exchange exposure continuously and, where appropriate and necessary, would consider hedging significant foreign exposures by way of foreign exchange contracts.

Pledge of Assets

As at 30th April, 2012, plant and equipment with a carrying value of HK$1,752,000 (2011: HK$2,488,000) was pledged to secure finance leases (2011: certain banking facilities, bank loan and finance leases) granted to the Group.

Capital Expenditure

During the year ended 30th April, 2012, the Group invested HK$7,289,000 (2011: HK$19,954,000) in acquiring property, plant and equipment. The capital expenditure was financed mainly from internal financial resources.

Employees and Emolument Policy

As at 30th April, 2012, the total number of employees of the Group was 902 (2011: 1,267). The Group maintains its emolument policy to ensure that employee remuneration is commensurate with job nature, qualifications and experience. The Group continues to offer competitive remuneration packages, share options and other benefits to eligible staff, based on the performance of the Group and the individual employees.

The fees of the Directors and emolument of senior management are determined with reference to their respective duties and responsibilities, expertise and experience in the industry, the performance and profitability of the Group as well as remuneration benchmarks from other companies and prevailing market conditions. Whilst the Board retains its power to determine the remuneration of non-executive Directors, the responsibility for reviewing and determining the remuneration packages of individual executive Directors and senior management of the Company is delegated to the Remuneration Committee.

Prospects

Global economic prospects remain uncertain. Nevertheless, with the resumption, by industry trend-setting companies, of production interrupted by the tsunami in Japan and flooding in Thailand, the semiconductor market has shown signs of recovery as reflected in the increased level of orders received by the Group recently. The semiconductor market will continue to be affected directly and indirectly by the Euro zone financial crisis and the potential adverse economic impact resulting from it. We are cautiously optimistic that the semiconductor market will continue to recover absent adverse macroeconomic conditions that could put a stop to positive momentum. To overcome the challenges ahead, the Group is committed to availing itself of every means to promote the healthy growth of its business and the effective management of resources. In addition, the Group will explore other business opportunities, which would bring improved returns and enhanced value to the shareholders of the Company (the "Shareholders").

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to building and maintaining best practice standards of corporate governance. The corporate governance principles of the Company emphasize a quality Board, effective internal controls, stringent disclosure practices and transparency, independence and accountability to all Shareholders.

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 "Existing CG Code") contained in Appendix 14 of the Listing Rules on the Stock Exchange. The Stock Exchange published its consultation conclusions on the review of the Existing CG Code in October 2011 and renamed it the Corporate Governance Code (the "Revised CG Code"), setting out the amendments that are to be made in 2012. The QPL Code has been revised in order to align it with the Revised CG Code which came into effect on 1st April, 2012. A copy of the QPL Code is posted on the Company's website (www.qpl.com).

For the year ended 30th April, 2012, the Company has applied the principles and complied with all the code provisions set out in the Existing CG Code and the Revised CG Code except for the deviations explained in the relevant paragraphs below. Nevertheless, such deviations are considered by the Board to be immaterial given the size, nature and circumstances of the Company.

Chairman and Chief Executive

Code Provision A.2.1 of the Revised CG Code stipulates that the roles of chairman and chief executive 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 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 in Mr. Li adds significant value to the Company's business growth while enhancing the efficiency of the 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 an adequate balance of power and authority in place between the Board and the management of the Company.

Appointment, Re-election and Removal

Code Provision A.4.2 of the Revised 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 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 to be held on 18th September, 2012 (the "AGM"), Mr. Li will voluntarily retire from office and will be subject to re-election as executive Director.

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 year under review and up to the date of this announcement, 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 have been reviewed and revised with reference to the Revised CG Code. The terms of reference of the Audit Committee are posted on the websites of the Company and the Stock Exchange and also available from the company secretary of the Company on request.

The major roles and functions of the Audit Committee include:

- overseeing the relationship between the Group and its external auditor;

- reviewing the appointment of the external auditor to ensure continuing auditor's independence;

- reviewing the Group's financial information; and

- 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.

The annual report for the year ended 30th April, 2012 has been reviewed by the Audit Committee.

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' securities 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 listed securities of the Company.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 17th September, 2012 to Tuesday, 18th September, 2012 (both days inclusive) for the purpose of determining the Shareholders' entitlement to attend and vote at the AGM.

In order to qualify for attending and voting at the AGM, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 14th September, 2012.

ANNUAL GENERAL MEETING

The AGM of the Company will be held on Tuesday, 18th September, 2012. Notice of the AGM will be published and issued to the Shareholders in due course.

AMENDMENTS TO THE BYE-LAWS

The Board proposes to seek the approval of the Shareholders by way of a special resolution to amend the Bye-laws and adopt the consolidated amended Bye-laws as the new Bye-laws of the Company at the AGM, so as to bring the Bye-laws into line with the amended Listing Rules and to incorporate certain housekeeping amendments. A circular containing details of the proposed amendments will be sent to the Shareholders together with the 2012 Annual Report.

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, 2012 containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the 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 dedication and contributions to the Group. My sincere appreciation is also extended to all customers, business partners and Shareholders for their continuing support.

By Order of the Board
QPL International Holdings Limited
Li Tung Lok
Executive Chairman and Chief Executive

Hong Kong, 26th July, 2012

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Li Tung Lok (Executive Chairman and Chief Executive) 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.