QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2012

FINANCIAL HIGHLIGHTS

	Six months ended 31 October		Increase (decrease)	
	2012	2011	Amount	%
	(Unaudited)	(Unaudited)		
Turnover *(HK$'000)*	**119,231**	158,816	(39,585)	(25)
Loss for the period *(HK$'000)*	**(4,575)**	(1,883)	2,692	143
EBITDA *(HK$'000) (Note 1)*	**3,047**	5,151	(2,104)	(41)
Loss per share *(HK$)*	**(0.006)**	(0.002)	0.004	(200)

	At 31 October	At 30 April
	2012	2012
	(Unaudited)	(Audited)
Net debt gearing ratio *(%) (Note 2)*	**12%**	12%

Notes:

1. Earnings before interest, tax, depreciation and amortisation ("EBITDA") is computed as loss before tax plus depreciation, interest on bank and other loans, the provision of inventories and bad and doubtful debts, impairment loss on available-for-sale investment, and less reversal of provision of inventories, fair value gain on derivative financial instrument and imputed interest income.

2. Net debt gearing ratio is defined as total debts, including borrowings, obligations under finance leases and trust receipt loans 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 2012 together with the comparative figures. The interim financial results and report have not been audited, but have been reviewed by the Company's auditor and audit committee.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 OCTOBER 2012

		Six months ended 31 October	
		2012	2011
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Turnover	3	**119,231**	158,816
Other income	4	**1,334**	7,128
Exchange loss, net		**(633)**	(1,182)
Changes in inventories of finished goods and work in progress		**(1,868)**	(3,914)
Raw materials and consumables used		**(48,163)**	(78,149)
Staff costs		**(31,274)**	(36,217)
Depreciation of property, plant and equipment		**(6,249)**	(6,077)
Fair value gain on derivative financial instrument		**120**	–
Impairment loss on available-for-sale investment		**(205)**	(1,025)
Other expenses		**(36,190)**	(40,263)
Interest on bank and other loans wholly repayable within five years		**(231)**	(403)
Loss before taxation		**(4,128)**	(1,286)
Taxation	5	**(447)**	(597)
Loss for the period	6	**(4,575)**	(1,883)
Other comprehensive income (expense):			
Exchange differences arising on translation		**11**	6
Loss on fair value changes of available-for-sale investment		**(547)**	(1,282)
Impairment loss on available-for-sale investment recycled to loss for the period		**205**	1,025
Other comprehensive expense for the period		**(331)**	(251)
Total comprehensive expense for the period		**(4,906)**	(2,134)
		HK$	*HK$*
Loss per share			
Basic and diluted	8	**(0.006)**	(0.002)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 OCTOBER 2012

	Notes	At 31 October 2012 HK$'000 (Unaudited)	At 30 April 2012 HK$'000 (Audited)
Non-current assets			
Property, plant and equipment		**52,626**	54,794
Available-for-sale investment	9	**1,504**	2,051
Advance payment for property, plant and equipment		**6,258**	4,638
		60,388	61,483
Current assets			
Inventories		**26,161**	28,301
Trade and other receivables	10	**45,517**	53,988
Deposits and prepayments		**4,890**	3,132
Derivative financial instrument	11	**52**	–
Bank balances and cash		**11,133**	13,878
		87,753	99,299
Current liabilities			
Trade and other payables	12	**26,370**	30,381
Trust receipt loans and bills payable		**3,900**	10,719
Deposits and accrued expenses		**22,341**	21,377
Taxation payable		**744**	734
Borrowings	13	**16,816**	14,185
Obligations under finance leases		**160**	452
		70,331	77,848
Net current assets		**17,422**	21,451
		77,810	82,934
Capital and reserves			
Share capital		**61,390**	61,390
Share premium and reserves		**13,681**	18,587
Equity attributable to owners of the Company	14	**75,071**	79,977
Non-current liabilities			
Accrued rental expenses		**2,738**	2,902
Obligations under finance leases		**–**	54
Deferred taxation		**1**	1
		2,739	2,957
		77,810	82,934

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as 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").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for available-for-sale investment and derivative financial instrument, 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 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2012. In addition, the following accounting policies were adopted during the current interim period:

Financial assets at fair value through profit or loss

The Group's financial asset classified as held for trading represents a derivative that is not designated and effective as a hedging instrument.

Derivative financial instrument

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derecognition of financial assets

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets

The Directors considered that the amendments to HKFRS 7 will affect the Group's disclosures regarding transfers of financial assets in the consolidated financial statements of the Company for the year ending 30 April 2013.

The application of the above amendments to HKFRSs in the current interim period 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.

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, Thailand and other Asian countries (which represented 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 for the period under review:

	Turnover Six months ended 31 October		**Segment results Six months ended 31 October**	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
The USA	**23,577**	19,159	**905**	840
Hong Kong	**2,019**	9,611	**83**	166
Europe	**1,006**	1,492	**43**	81
The PRC	**42,619**	60,390	**1,062**	2,961
Philippines	**12,406**	10,581	**631**	583
Malaysia	**6,785**	5,366	**327**	296
Singapore	**10,714**	14,453	**518**	796
Thailand	**7,580**	13,427	**365**	740
Reportable segment total	**106,706**	134,479	**3,934**	6,463
Other Asian countries	**14,750**	27,689	**711**	1,518
	121,456	162,168	**4,645**	7,981
Eliminations	**(2,225)**	(3,352)	**–**	–
Group's turnover and segment results	**119,231**	158,816	**4,645**	7,981
Depreciation of property, plant and equipment			**(6,249)**	(6,077)
Impairment loss on available-for-sale investment			**(205)**	(1,025)
Loss on disposal of property, plant and equipment			**(16)**	(33)
Fair value gain on derivative financial instrument			**120**	–
Imputed interest income on non-current interest-free other receivable			**–**	964
Unallocated interest income			**5**	2
Unallocated corporate management expenses			**(2,197)**	(2,695)
Interest on bank and other loans wholly repayable within five years			**(231)**	(403)
Loss before taxation			**(4,128)**	(1,286)

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

Included in the USA and the PRC reportable segments are revenue from inter-segments of HK$1,693,000 (2011: HK$3,189,000) and HK$532,000 (2011: HK$163,000) respectively.

Segment profit represents the profit from each segment without allocation of directors' remuneration, corporate management expenses, depreciation, fair value gain on derivative financial instrument, 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, interest income on bank deposits and interest on bank and other loans wholly repayable within five years. 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**

	Six months ended 31 October	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Sales of by-products and scrap	**1,264**	5,979
Imputed interest income on non-current interest-free other receivable	**–**	964
Interest income on bank deposits	**5**	2
Sundry income	**65**	183
	1,334	7,128

5. **TAXATION**

	Six months ended 31 October	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
The charge comprises:		
PRC Enterprise Income Tax	**447**	597

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 both periods.

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 FOR THE PERIOD

Loss for the period has been arrived at after charging (crediting) the following items:

	Six months ended 31 October	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Salaries, wages and other staff benefits	**30,033**	35,046
Retirement benefits scheme contribution	**1,241**	1,171
Total staff costs	**31,274**	36,217
Repair and maintenance expenses	**4,962**	5,943
Loss on disposal of property, plant and equipment	**16**	33
Write down of (reversal of) inventories (included in raw materials and consumables used)	**386**	(182)
Allowances for bad and doubtful debts, net	**224**	78
Operating lease rentals in respect of premises	**4,429**	4,935

7. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31 October 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:

	Six months ended 31 October	
	2012	2011
	(Unaudited)	(Unaudited)
Loss for the period for the purposes of basic and diluted loss per share	**HK$4,575,000**	HK$1,883,000
Weighted average number of ordinary shares for the purposes 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 both periods.

9. AVAILABLE-FOR-SALE INVESTMENT

	At 31 October	At 30 April
	2012	2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Listed equity securities in Hong Kong, at fair value	**1,504**	2,051

9. AVAILABLE-FOR-SALE INVESTMENT – continued

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.

Particulars of the investee company at 31 October 2012 and 30 April 2012 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 ("MelcoLot")	Cayman Islands	Provision of lottery-related technologies, systems and solutions	Ordinary shares	3.4%

MelcoLot is a company listed on the Growth Enterprise Market of the Stock Exchange. At 31 October 2012, the fair value of the available-for-sale investment declined by HK$547,000 when compared to the fair value at 30 April 2012, which led to a decline in investment revaluation reserve of HK$547,000, of which a further impairment loss of approximately HK$205,000 had been recognised and reclassified into loss for the six months ended 31 October 2012 (six months ended 31 October 2011: HK$1,025,000).

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 2012 *HK$'000* **(Unaudited)**	At 30 April 2012 *HK$'000* (Audited)
Trade receivables		
Within 30 days	**16,138**	21,825
Between 31 and 60 days	**14,812**	18,192
Between 61 and 90 days	**9,993**	10,801
Over 90 days	**3,874**	2,171
	44,817	52,989
Other receivables	**700**	999
	45,517	53,988

At 31 October 2012, certain trade receivables of approximately HK$20,380,000 are transferred to a bank and continued to be recognised as the Directors considered that the Group has retained substantially all the risks and rewards of ownership of the trade receivables. The corresponding financial liabilities are included as collateralised bank borrowings of approximately HK$7,477,000 at 31 October 2012 as disclosed in note 13.

11. DERIVATIVE FINANCIAL INSTRUMENT

	At 31 October 2012	At 30 April 2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Derivative financial asset:		
Structured currency forwards contract	**52**	–

During the six months ended 31 October 2012, the Group entered into a Renminbi ("RMB")/United States Dollars ("USD") net-settled structured currency forwards contract with a bank in order to manage the Group's currency risk. The aggregate notional amount of the structured currency forwards contract is USD12,000,000 with 24 equal monthly settlements commencing from October 2012 without considering the potential knock out feature which may result in early termination of the contract. The Group is required to sell USD and buy RMB at a strike price of RMB6.41 to USD1. There will be no settlement when the spot rate at respective settlement date is within the range from RMB6.41 to RMB6.47 for USD1. The structured currency forwards contract contains a knock out feature where the accumulative monthly gain by the Group from such structured currency forwards contract has reached RMB200,000 on any monthly settlement date, the contract would be automatically terminated on that date.

At 31 October 2012, the fair value of the structured currency forwards contract was determined based on the estimated discount cash flow valuation, after considering the potential impact of the knock out feature, provided by the bank.

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:

	At 31 October 2012	At 30 April 2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables		
Within 30 days	**1,952**	6,734
Between 31 and 60 days	**4,077**	3,235
Between 61 and 90 days	**3,809**	4,708
Over 90 days	**5,778**	4,444
	15,616	19,121
Other payables	**10,754**	11,260
	26,370	30,381

13. BORROWINGS

	At 31 October 2012 *HK$'000* **(Unaudited)**	At 30 April 2012 *HK$'000* (Audited)
Unsecured bank loans *(Note a)*	**–**	3,646
Collateralised bank borrowings *(Note b)*	**7,477**	–
Loans from a director *(Note c)*	**9,339**	10,539
	16,816	14,185
Carrying amount repayable:		
On demand or within one year	**16,816**	14,185
Included in amount shown under current liabilities:		
Carrying amount of bank loans that are repayable within one year but contain a repayment on demand clause	**7,477**	3,646

Notes:

(a) The bank loans were unsecured and bearing interest at Hong Kong prime rate plus 0.5% per annum, the best lending rate minus 1% per annum and the prevailing interest rate minus 2% per annum. During the current interim period, the Group had fully repaid such unsecured bank loans. At 30 April 2012, the weighted average effective interest rate on the bank loans were 1.1% per annum.

(b) During the current interim period, the Group obtained new bank borrowings of approximately HK$22,744,000 under an invoice discounting loan facility from a bank. The borrowings bear interest at Hong Kong Dollar best lending rate minus 2% per annum and USD trade finance rate minus 0.5% per annum and are secured by a charge over certain of the Group's trade receivables. The borrowings contain a repayable on demand clause.

(c) The loans are advanced from Mr. Li Tung Lok ("Mr. Li"), a director and a shareholder of the Company with significant influence over the Company, which are interest-free and unsecured. During the current interim period, Mr. Li has agreed not to demand the repayment in full or part of the loans due from the Group on or before 28 June 2013. The Group has voluntarily repaid HK$1,200,000 to Mr. Li during the current interim period.

14. EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Share capital	Share premium	Contributed surplus	Capital redemption reserve	Investment revaluation reserve	Share options reserve	Translation reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 May 2011 (audited)	61,390	147,812	40,475	12,310	257	5,717	243	(181,849)	86,355
Loss for the period	–	–	–	–	–	–	–	(1,883)	(1,883)
Other comprehensive (expense) income for the period	–	–	–	–	(257)	–	6	–	(251)
Total comprehensive (expense) income for the period	–	–	–	–	(257)	–	6	(1,883)	(2,134)
Forfeiture of share options	–	–	–	–	–	(232)	–	232	–
At 31 October 2011 (unaudited)	61,390	147,812	40,475	12,310	–	5,485	249	(183,500)	84,221
At 1 May 2012 (audited)	**61,390**	**147,812**	**40,475**	**12,310**	**342**	**4,748**	**267**	**(187,367)**	**79,977**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4,575)**	**(4,575)**
Other comprehensive (expense) income for the period	**–**	**–**	**–**	**–**	**(342)**	**–**	**11**	**–**	**(331)**
Total comprehensive (expense) income for the period	**–**	**–**	**–**	**–**	**(342)**	**–**	**11**	**(4,575)**	**(4,906)**
Forfeiture and lapse of share options	**–**	**–**	**–**	**–**	**–**	**(2,185)**	**–**	**2,185**	**–**
At 31 October 2012 (unaudited)	**61,390**	**147,812**	**40,475**	**12,310**	**–**	**2,563**	**278**	**(189,757)**	**75,071**

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group reported a turnover of HK$119,231,000 for the six months ended 31 October 2012, representing a decrease of 25% as compared with HK$158,816,000 for the same period last year. The Group's consolidated loss for the six months ended 31 October 2012 amounted to HK$4,575,000, as compared with HK$1,883,000 for the corresponding period in 2011. Loss per share for the period was HK$0.006 (2011: HK$0.002). The adjusted EBITDA, computed as loss before tax plus depreciation, interest on bank and other loans, provision of inventories and bad and doubtful debts, impairment loss on available-for-sale investment, and less reversal of provision of inventories, fair value gain on derivative financial instrument and imputed interest income, amounted to HK$3,047,000 (2011: HK$5,151,000).

Dividend

The Directors do not recommend the payment of an interim dividend for the period under review (2011: Nil).

Business Review

The Group's business for the six months under review has gone through a difficult period. Major macroeconomic uncertainties, such as the sovereign debt problem in Europe and the sluggish recovery in the US economy, persisted and resulted in weak market conditions. This led to slowing demand from customers and stalled the recovery momentum that appeared briefly in the first quarter of this year. As a result, orders from customers were significantly affected in the Group's major sales regions. Meanwhile, the global semiconductor industry experienced similar business stagnation in the first half of 2012 and faced a significant fall in activity in the second half. Geographically, the PRC and the USA market contributed approximately 35.3% (2011: 37.9%) and 18.4% (2011: 10.1%) respectively to the Group's turnover for period under review.

In response to the negative impact resulting from the decrease in revenue, the Group has used its best endeavours to increase productivity and to tighten control on costs and expenses in order to weather the challenges. Cost of materials was reduced by recycling scarp into raw materials and refining the production process to reduce material usage. Cost reduction programmes were deployed vigorously to trim expenditure with a view to restoring profitability when market demand recovers.

Liquidity and Financial Resources

The Group's cash and bank balances amounted to HK$11,133,000 at 31 October 2012 (30 April 2012: HK$13,878,000). To finance its working capital, the Group's total outstanding debts were HK$20,028,000 at 31 October 2012 (30 April 2012: HK$23,571,000), which comprised HK$3,052,000 (30 April 2012: HK$8,880,000) of trust receipt loans, nil (30 April 2012: HK$3,646,000) of unsecured bank loan, HK$7,477,000 (30 April 2012: Nil) of collateralised bank borrowings, HK$160,000 (30 April 2012: HK$506,000) of obligations under finance leases and HK$9,339,000 (30 April 2012: HK$10,539,000) loan from a director. In terms of interest costs, HK$10,689,000 (30 April 2012: HK$13,032,000) was interest bearing and HK$9,339,000 (30 April 2012: HK$10,539,000) was interest free.

Net debt gearing ratio was maintained at 12% at 31 October 2012 (30 April 2012: 12%).

Foreign Exchange Risk Management

The Group's transactions are primarily denominated in Hong Kong dollars, USD and RMB. The Group monitors its foreign exchange exposure continuously and has entered into foreign exchange contracts to hedge against its exposure to fluctuations in RMB.

Pledge of Assets

At 31 October 2012, plant and equipment with a carrying value of HK$353,000 (30 April 2012: HK$1,752,000) was pledged to secure finance leases granted to the Group. In addition, trade receivables with a carrying amount of approximately HK$20,380,000 (30 April 2012: Nil) were pledged to secure bank borrowings granted to the Group.

Capital Expenditure

During the period under review, the Group invested HK$4,103,000 (2011: HK$2,988,000) in acquiring property, plant and equipment. This capital expenditure was financed mainly from internal financial resources.

Employees and Emolument Policy

At 31 October 2012, the total number of employees of the Group was 800 (30 April 2012: 902). 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 of individual employees.

Prospects

The macroeconomic conditions affecting the outlook for the global semiconductor market remain unclear and we expected to continue to dampen demand for consumer and business electronics. Quoting from recent industry forecasts, it was predicted that the global semiconductor market for 2012 would experience a contraction of two to three percent as compared with 2011, marking the first annual decline for the industry since 2009. Five out of the six major application markets for semiconductors were expected to shrink in 2012 with the exception of the growing wireless segment centred on smart phones and mobile tablets. Thus, it is inevitable that the unfavourable macroeconomic environment will affect the Group's performance. However, against this backdrop, there is some hope that the semiconductor market might rebound in 2013 as a result of stabilizing demand and the anticipated emergence of new electronic products and applications.

Looking forward, the Group will use its best endeavours, confidence and perseverance to meet the challenges ahead. It is also committed to position itself to capture from the growth and new opportunities in the market when business rebounds. In addition, the Group will continue to explore other business opportunities with a view to generating improved returns to our shareholders.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES AND CORPORATE GOVERNANCE CODE

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 of the Company (the "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 contained in Appendix 14 of the Listing Rules and renamed it the Corporate Governance Code (the "CG Code"). The QPL Code has been revised in order to align it with the CG Code which took effect on 1 April 2012.

Throughout the six months ended 31 October 2012 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. Nevertheless, such deviations are considered by the Board to be immaterial given the size, nature and circumstances of the Company.

Chairman and Chief Executive Officer

Code Provision A.2.1 of the 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 of the Company since January 1989 (except for the period from February 2004 to 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 of Directors

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 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 18 September 2012, 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.

COMPLIANCE WITH 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 as the Group's code of conduct regarding Directors'securities transactions. 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 in their securities transactions throughout the six months ended 31 October 2012 under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 October 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF ACCOUNTS

The unaudited consolidated interim results of the Group for the six months ended 31 October 2012 have been reviewed by the Company's auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The auditor's independent review report will be included in the Company's interim report for the six months ended 31 October 2012 to the Shareholders. The unaudited consolidated interim results of the Group for the six months ended 31 October 2012 have also been reviewed by the Audit Committee of the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://qpl.com). The Company's interim report for the six months ended 31 October 2012 containing all information required by the Listing Rules will be despatched to the 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 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, 20 December 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.