QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 243)

ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2013

FINANCIAL HIGHLIGHT

	Audited results for the year ended 30 April		
	2013	2012	**Increase (decrease)**
Turnover *(HK$'000)*	**217,180**	279,131	(61,951)
Loss for the year *(HK$'000)*	**(6,115)**	(6,487)	(372)
Loss per share *(HK$)*	**(0.01)**	(0.01)	–
EBITDA *(HK$'000) (Note 1)*	**7,853**	5,337	2,516
	(Audited) At 30 April 2013	(Audited) At 30 April 2012	**Increase**
Net debt gearing ratio *(%) (Note 2)*	**17%**	12%	5%

Notes:

1. Earnings before interest, tax, depreciation and amortisation ("EBITDA") is 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, reversal of impairment loss on balances with a former subsidiary, reversal of allowance of doubtful debts, 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") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 30 April 2013 together with the comparative figures for the year ended 30 April 2012 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2013

	NOTES	**2013** *HK$'000*	2012 *HK$'000*
Turnover	3	**217,180**	279,131
Other income	4	**3,033**	11,956
Other gains and losses	4	**3,432**	–
Exchange loss, net		**(1,300)**	(2,090)
Changes in inventories of finished goods and work in progress		**(267)**	(5,489)
Raw materials and consumables used		**(85,461)**	(135,246)
Staff costs		**(61,019)**	(67,656)
Depreciation of property, plant and equipment		**(12,637)**	(12,516)
Reversal of impairment loss on balances with a former subsidiary previously recognised		**–**	1,999
Fair value gain on derivative financial instrument		**396**	–
Impairment loss on available-for-sale investment		**(205)**	(1,025)
Other expenses		**(68,043)**	(73,850)
Interest on bank and other loans wholly repayable within five years		**(413)**	(711)
Loss before taxation		**(5,304)**	(5,497)
Taxation	5	**(811)**	(990)
Loss for the year	6	**(6,115)**	(6,487)
Other comprehensive income (expense):			
Exchange differences arising on translation		**27**	24
Net gain (loss) on fair value changes of available-for-sale investment		**6,929**	(940)
Impairment loss on available-for-sale investment recycled to loss for the year		**205**	1,025
Gain on disposal of available-for-sale investment recycled to loss for the year		**(3,318)**	–
Other comprehensive income for the year		**3,843**	109
Total comprehensive expense for the year		**(2,272)**	(6,378)
		HK$	*HK$*
Loss per share	8		
Basic and diluted		**(0.01)**	(0.01)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 APRIL 2013

	NOTES	**2013**	2012
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**57,361**	54,794
Available-for-sale investment	9	**4,787**	2,051
Advance payment for acquisition of property, plant and equipment		**1,094**	4,638
		63,242	61,483
Current assets			
Inventories		**24,680**	28,301
Trade and other receivables	10	**43,764**	53,988
Deposits and prepayments		**3,442**	3,132
Derivative financial instrument	11	**46**	–
Bank balances and cash		**8,683**	13,878
		80,615	99,299
Current liabilities			
Trade and other payables	12	**21,197**	30,381
Trust receipt loans and bills payable		**3,710**	10,719
Deposits and accrued expenses		**18,173**	21,377
Taxation payable		**731**	734
Borrowings	13	**19,711**	14,185
Obligations under finance leases		**54**	452
		63,576	77,848
Net current assets		**17,039**	21,451
		80,281	82,934
Capital and reserves			
Share capital		**61,390**	61,390
Share premium and reserves		**16,315**	18,587
Equity attributable to owners of the Company	14	**77,705**	79,977
Non-current liabilities			
Accrued rental expenses		**2,575**	2,902
Obligations under finance leases		**–**	54
Deferred taxation		**1**	1
		2,576	2,957
		80,281	82,934

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 certain financial instruments, that are 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.

Amendments to HKAS 12	Deferred tax: Recovery of underlying assets
Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets

Amendments to HKFRS 7 Disclosures – Transfers of financial assets

The Group has applied for the first time the amendments to HKFRS 7 Disclosures – Transfers of financial assets in the current year. The amendments increase the disclosure requirements for transactions involving the transfers of financial assets in order to provide greater transparency around risk exposures when financial assets are transferred.

The Group has arrangement with a bank to transfer to the bank its contractual rights to receive cash flows from certain trade receivables. The arrangement is made through transferring those trade receivables, without discounting, to the bank on a full recourse basis. Specifically, if the trade receivables are not paid after the due date, the bank has the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these trade receivables, it continues to recognise the full carrying amount of the trade receivables and has recognised the cash received on the transfer as collateralised bank borrowings (see note 13). The relevant disclosures have been made regarding the transfer of these trade receivables on application of the amendments to HKFRS 7 (see note 10). In accordance with the transitional provisions set out in the amendments to HKFRS 7, the Group has not provided comparative information for the disclosures required by the amendments.

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

New and revised HKFRSs issued but not yet effective

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle[1]
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[2]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[1]
HKFRS 11	Joint arrangements[1]
HKFRS 12	Disclosure of interests in other entities[1]
HKFRS 13	Fair value measurement[1]
HKAS 19 (as revised in 2011)	Employee benefits[1]
HKAS 27 (as revised in 2011)	Separate financial statements[1]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[1]
Amendments to HKAS 1	Presentation of items of other comprehensive income[4]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[2]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[2]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[2]
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine[1]
HK(IFRIC) – INT 21	Levies[2]

[1] Effective for accounting periods beginning on or after 1 January 2013.

[2] Effective for accounting periods beginning on or after 1 January 2014.

[3] Effective for accounting periods beginning on or after 1 January 2015.

[4] Effective for accounting periods beginning on or after 1 July 2012.

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. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for the Group for annual period beginning on or after 1 May 2015, with earlier application permitted. The Directors anticipate that the adoption of HKFRS 9 will affect the classification and measurement of the Group's available-for-sale investment but have no material impact on other financial assets and liabilities. However, in the opinion of the Directors, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

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

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 "Presentation of items of other comprehensive income" introduce new terminology for the consolidated statement of comprehensive income and income statement. Under the amendments to HKAS 1, a 'consolidated statement of comprehensive income' is renamed as a 'consolidated statement of profit or loss and other comprehensive income' and a 'consolidated income statement' is renamed as a 'consolidated statement of profit or loss'. 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 items of other comprehensive income to be 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 do not change the option to present items of other comprehensive income either before tax or net of tax.

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

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

Amendments to HKAS 32 Offsetting financial assets and financial liabilities and amendments to HKFRS 7 Disclosures – Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amended offsetting disclosures are required for the Group's annual period beginning on 1 May 2013 and interim periods within those annual periods. Upon application of the amendments to HKFRS 7, it will result in more extensive disclosure in the consolidated financial statements. The disclosures should also be provided for all comparative periods. However, the amendments to HKAS 32 are effective for the Group's annual period beginning on 1 May 2014, with retrospective application required.

The Directors anticipate that the application of the other new and revised HKFRSs will have no material impact on the 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 of the Company, being the chief operating decision maker ("CODM"), for the purpose of resources allocation and assessment of segment performance focuses on the location of customers.

The customers of the Group are currently located in the United States of America (the "USA"), Hong Kong, Europe, the People's Republic of China (the "PRC"), Philippines, Malaysia, Singapore, Thailand and other Asian countries (which represented aggregation of other non-reportable operating segments under HKFRS 8).

3. **TURNOVER AND 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	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The USA	**45,323**	41,961	**1,802**	1,522
Hong Kong	**2,475**	15,375	**110**	636
Europe	**2,133**	2,823	**100**	137
The PRC	**89,157**	127,196	**2,201**	4,310
Philippines	**21,739**	19,558	**1,140**	962
Malaysia	**12,753**	12,399	**641**	610
Singapore	**20,077**	23,550	**1,008**	1,159
Thailand	**14,133**	16,461	**710**	810
Reportable segment total	**207,790**	259,323	**7,712**	10,146
Other Asian countries	**15,991**	25,593	**803**	1,259
	223,781	284,916	**8,515**	11,405
Eliminations	**(6,601)**	(5,785)	**–**	–
Group's turnover and segment results	**217,180**	279,131	**8,515**	11,405
Depreciation of property, plant and equipment			**(12,637)**	(12,516)
Reversal of impairment loss on balances with a former subsidiary previously recognised			**–**	1,999
Impairment loss on available-for-sale investment			**(205)**	(1,025)
Net gain (loss) on disposal of property, plant and equipment			**114**	(33)
Gain on disposal of available-for-sale investment			**3,318**	–
Fair value gain on derivative financial instrument			**396**	–
Imputed interest income on non-current interest-free other receivable			**–**	632
Unallocated interest income			**9**	6
Unallocated corporate management expenses			**(4,401)**	(5,254)
Interest on bank and other loans wholly repayable within five years			**(413)**	(711)
Loss before taxation			**(5,304)**	(5,497)

3. TURNOVER AND SEGMENTAL INFORMATION – continued

Included in the USA and the PRC reportable segments are revenue from inter-segments of HK$4,114,000 (2012: HK$5,287,000) and HK$2,487,000 (2012: HK$498,000) respectively.

Segment profit represents the profit from each segment without allocation of corporate management expenses which include directors' remuneration, depreciation expenses, reversal of impairment loss on balances with a former subsidiary previously recognised, impairment loss on available-for-sale investment, net gain (loss) on disposal of property, plant and equipment, gain on disposal of available-for-sale investment, fair value gain on derivative financial instrument, 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 AND OTHER GAINS AND LOSSES

	2013	2012
	HK$'000	*HK$'000*
Other income		
Sales of by-products and scrap	**2,924**	11,042
Imputed interest income on non-current interest-free other receivable	**–**	632
Interest income on bank deposits	**9**	6
Sundry income	**100**	276
	3,033	11,956
Other gains and losses		
Net gain on disposal of property, plant and equipment	**114**	–
Gain on disposal of available-for-sale investment	**3,318**	–
	3,432	–

5. TAXATION

	2013	2012
	HK$'000	*HK$'000*
The charge comprises:		
Current tax:		
PRC Enterprise Income Tax	**811**	990

5. TAXATION – continued

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%.

6. LOSS FOR THE YEAR

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

	2013	2012
	HK$'000	*HK$'000*
Salaries, wages and other staff benefits	**58,566**	65,549
Retirement benefits scheme contribution	**2,453**	2,107
Total staff costs *(Note a)*	**61,019**	67,656
Depreciation of property, plant and equipment	**12,637**	12,516
Repair and maintenance expenses	**9,467**	10,958
(Gain) loss on disposal of property, plant and equipment	**(114)**	33
Write down (reversal) of inventories (included in raw materials and consumables used)	**302**	(1,054)
Reversal of impairment loss on balances with a former subsidiary previously recognised *(Note b)*	**–**	(1,999)
(Reversal of) impairment for bad and doubtful debts, net	**(4)**	267
Auditor's remuneration	**980**	1,000
Operating lease rentals in respect of premises	**9,012**	9,026

Notes:

(a) Directors' emoluments are included in the above staff costs.

(b) During the year ended 30 April 2012, the Group received full repayment of HK$4,200,000 from Talent Focus Industries Limited ("TFIL"), a former subsidiary, 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 30 April 2012.

7. DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 30 April 2013 (2012: 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:

	2013	2012
Loss for the purposes of basic and diluted loss per share	**HK$6,115,000**	HK$6,487,000
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 30 April 2013 and 2012.

9. AVAILABLE-FOR-SALE INVESTMENT

	2013	2012
	HK$'000	*HK$'000*
Listed equity securities in Hong Kong, at fair value	**4,787**	2,051

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 30 April 2013 and 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**	
				2013	2012
MelcoLot Limited ("MelcoLot")	Cayman Islands	Provision of lottery–related technologies, systems and solutions	Ordinary shares	**0.3%**	3.4%

9. AVAILABLE-FOR-SALE INVESTMENT – continued

MelcoLot is a company listed on the Growth Enterprise Market of the Stock Exchange. During the six months ended 31 October 2012, due to the prolong decline in the fair value of the available-for-sale investment, a further impairment loss of approximately HK$205,000 had been recognised and reclassified into loss for the year (for the year ended 30 April 2012: HK$1,025,000). Subsequent to the recognition of impairment loss during the six months ended 31 October 2012, the fair value of the available-for-sale investment has increased by HK$6,929,000 and were recognised in other comprehensive income and accumulated in the investment revaluation reserve.

9,944,000 shares of the investee company's issued share capital were disposed in several batches by the Group during the year ended 30 April 2013 and resulted in a gain on disposal of HK$3,318,000 recycled into profit or loss.

10. TRADE AND OTHER RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**43,931**	53,505
Less: Allowance for bad and doubtful debts	**(411)**	(516)
	43,520	52,989
Others receivables	**244**	999
	43,764	53,988

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:

	2013	2012
	HK$'000	*HK$'000*
Within 30 days	**19,506**	21,825
Between 31 and 60 days	**14,835**	18,192
Between 61 and 90 days	**6,774**	10,801
Over 90 days	**2,405**	2,171
	43,520	52,989

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$13,466,000 (2012: HK$22,079,000) 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 are still considered recoverable based on historical payment experience. The Group does not hold any collateral or credit enhancements over these balances.

10. TRADE AND OTHER RECEIVABLES – continued

Transfer of financial assets

At 30 April 2013, the aggregate carrying amount of approximately HK$23,948,000 of trade receivables are transferred to a bank on a full recourse basis and continued to be recognised as the Directors considered that the Group has retained substantially all the risks and rewards of the ownership of the trade receivables. Accordingly, bank advances from the factoring of the Group's trade receivables have been accounted for as collateralised bank borrowings of approximately HK$13,182,000 at 30 April 2013 as disclosed in note 13.

These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

	At 30 April 2013 *HK$'000*
Carrying amount of transferred assets	23,948
Carrying amount of associated liabilities	(13,182)
	10,766

11. DERIVATIVE FINANCIAL INSTRUMENT

	2013 ***HK$'000***	2012 *HK$'000*
Derivative financial asset:		
Structured currency forwards contract	**46**	–

For the year ended 30 April 2013, the Group entered into 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 USD15,120,000 with 18 equal monthly settlements commencing from April 2013 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 RMB6.265 to USD1.00. There will be no settlement when the spot rate at respective settlement date is within the range from RMB6.265 to RMB6.385 for USD1.00. 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 RMB210,000 on any monthly settlement date, the remaining monthly settlement of the structured currency forward contract would be automatically terminated on that date.

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:

	2013	2012
	HK$'000	*HK$'000*
Trade payables		
Within 30 days	**4,494**	6,734
Between 31 and 60 days	**1,821**	3,235
Between 61 and 90 days	**1,397**	4,708
Over 90 days	**4,406**	4,444
	12,118	19,121
Other payables	**9,079**	11,260
	21,197	30,381

The credit period on purchases of goods is ranging from 30 to 90 days.

13. BORROWINGS

	2013	2012
	HK$'000	*HK$'000*
Unsecured bank loans *(Note a)*	**–**	3,646
Collateralised bank borrowings *(Note b)*	**13,182**	–
Loans from a director *(Note c)*	**6,529**	10,539
	19,711	14,185
Carrying amount repayable:		
On demand or within one year	**19,711**	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	**13,182**	3,646

Notes:

(a) During the year, the Group had fully repaid such unsecured bank loans. At 30 April 2012, the weighted average effective interest rate on the bank loans was 1.1% per annum.

(b) During the year, the Group obtained bank advance from the factoring of the Group's trade receivables. The borrowings bore interest at Hong Kong Dollar best lending rate minus 2% per annum and USD trade finance rate minus 0.5% per annum and contained a repayable on demand clause.

13. BORROWINGS – continued

(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, and are interest-free and unsecured. Subsequent to 30 April 2013, Mr. Li has agreed not to demand the repayment in full or in part of the loans due from the Group on or before 17 June 2014. The Group has voluntarily repaid HK$4,010,000 to Mr. Li during the year.

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*
			(Note a)	*(Note b)*					
At 1 May 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 30 April 2012	61,390	147,812	40,475	12,310	342	4,748	267	(187,367)	79,977
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(6,115)**	**(6,115)**
Other comprehensive income for the year	**–**	**–**	**–**	**–**	**3,816**	**–**	**27**	**–**	**3,843**
Total comprehensive income (expense) for the year	**–**	**–**	**–**	**–**	**3,816**	**–**	**27**	**(6,115)**	**(2,272)**
Forfeiture and lapse of share options	**–**	**–**	**–**	**–**	**–**	**(2,208)**	**–**	**2,208**	**–**
At 30 April 2013	**61,390**	**147,812**	**40,475**	**12,310**	**4,158**	**2,540**	**294**	**(191,274)**	**77,705**

Notes:

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

b. 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 fiscal year under review, the Group reported a turnover of HK$217,180,000, representing a decrease of 22% as compared with HK$279,131,000 for the previous year. The Group's consolidated loss for the year was HK$6,115,000, which was lower than last year's loss of HK$6,487,000. Basic loss per share was HK1 cent (2012: HK1 cent).

Dividend

The Directors do not recommend the payment of a dividend for the year (2012: nil).

Business Review

Unfavourable macroeconomic uncertainty continued to affect the business of the Group for the year. The sovereign debt problem in Europe, sluggish recovery in the economy of the USA and deceleration of economic growth in the PRC depressed global demand and had an adverse impact on our customer orders. The business contraction was most evident in the second half of the financial year and diverged from normal seasonal patterns. Similarly, the broader semiconductor industry has witnessed a slowdown during the second half of 2012 across personal computers, mobile phones, digital televisions as well as in the industrial and other market segments. It was a relief to see that the situation had stabilized by the end of the financial year.

By geographical distribution, the PRC, the USA and the South East Asian countries were the leading markets, contributing to approximately 40% (2012: 45%), 19% (2012: 13%) and 40% (2012: 41%) respectively of the Group's turnover for the year.

Liquidity and Financial Resources

The Group's cash and bank balances amounted to HK$8,683,000 at 30 April 2013 (2012: HK$13,878,000). In financing its working capital, the Group has incurred total outstanding debts of HK$21,507,000 at 30 April 2013 (2012: HK$23,571,000), which comprised HK$1,742,000 (2012: HK$8,880,000) of trust receipt loans; nil (2012: HK$3,646,000) unsecured bank loan; HK$13,182,000 (2012: nil) of collateralised bank borrowings; HK$54,000 (2012: HK$506,000) of obligations under finance leases; and a HK$6,529,000 (2012: HK$10,539,000) loan from a director. In terms of interest cost, HK$14,978,000 (2012: HK$13,032,000) of the outstanding debts was interest bearing and HK$6,529,000 (2012: HK$10,539,000) was interest free.

The net debt gearing ratio was at 17% at 30 April 2013 (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 forward contracts to hedge against its exposure to fluctuations in Chinese RMB.

Pledge of Assets

At 30 April 2013, plant and equipment with a carrying value of HK$294,000 (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$23,948,000 (2012: nil) were pledged to secure bank borrowings granted to the Group.

Capital Expenditure

During the year ended 30 April 2013, the Group invested HK$15,668,000 (2012: HK$7,289,000) in acquiring property, plant and equipment. The capital expenditure was financed mainly from internal financial resources.

Employees And Emolument Policy

At 30 April 2013, the total number of employees of the Group was 818 (2012: 902). The Group maintains its remuneration 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.

Prospects

The global semiconductor market has been troubled by unfavourable macroeconomic conditions in the past year. Worldwide semiconductor revenue for 2012 was down by 2.6% as compared to the performance in 2011, marking the first annual decline for the industry since 2009. However, there are encouraging signs that the market slowdown has stabilized and the market is gradually working its way upwards from the downturn. Obviously the tell-tale sign is the consistent improvement in worldwide semiconductor revenue in the first half of 2013 compared with the same period in 2012. Global semiconductor market intelligence firms also predict that the market is expected to recover gradually throughout 2013, with an expected recovery of the global economy and expected stable growth in product categories related to smartphones, tablets and automotives. With the expectation that the semiconductor industry is entering a long-awaited period of recovery, the Group has prepared itself to capture the revival momentum and to seek steady business development. On a separate note, reference is made the announcement of the Company made on 3 September 2012 stating that the Group had entered into a letter of intent for a possible very substantial acquisition. I would like to advise that so far no significant progress regarding the possible acquisition had been made. Further announcement will be made by the Company to keep the shareholders of the Company (the "Shareholders") informed. The Group will continue to explore other business opportunities which would bring improved returns and enhanced value to the Shareholders.

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 Stock Exchange made certain amendments to the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules and renamed it the Corporate Governance Code (the "CG Code") with effect from 1 April 2012. The Company has adopted its own Code on Corporate Governance Practices (the "QPL Code") incorporating the principles and code provisions set out in the CG Code. A copy of the QPL Code is posted on the Company's website (www.qpl.com).

For the year ended 30 April 2013, 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

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 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, Retirement and Re-election 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 2012 annual general meeting of the Company held on 18 September 2012, Mr. Li voluntarily retired from office and was re-elected 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 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 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 preliminary results, interim results and annual financial statements;

– monitor the corporate governance of the Group including compliance with statutory and the Listing Rules requirements; 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 30 April 2013 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.

ANNUAL GENERAL MEETING

The 2013 Annual General Meeting (the "AGM") of the Company will be held on Monday, 23 September 2013. Notice of the AGM will be published and issued to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 18 September 2013 to Monday, 23 September 2013 (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 Tuesday, 17 September 2013.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.qpl.com). The Company's annual report for the year ended 30 April 2013 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 my gratitude to my fellow Directors and all staff for their efforts and contribution. I also offer my sincere appreciation 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, 26 July 2013

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.