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QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

The Board of Directors (the “Board” or “Directors”) of QPL International Holdings Limited (the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 31 October 2015 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 PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

	<i>Notes</i>	Six months ended	
		31 October	
		2015	2014
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Turnover	3	152,498	141,262
Other income	4	5,422	5,273
Exchange loss, net		(624)	(2,571)
Changes in inventories of finished goods and work in progress		1,357	2,432
Raw materials and consumables used		(77,954)	(65,090)
Staff costs		(45,368)	(41,837)
Depreciation of property, plant and equipment		(2,084)	(6,571)
Net (loss) gain on fair value change of derivative financial instrument		(153)	2,401
Net gain on fair value changes of investments held for trading		79,401	–
Other expenses		(42,767)	(40,758)
Interest on bank borrowings		(520)	(580)
		<hr/>	<hr/>
Profit (loss) before taxation		69,208	(6,039)
Taxation	5	(13,864)	(685)
		<hr/>	<hr/>
Profit (loss) for the period	6	55,344	(6,724)
		<hr/>	<hr/>
Other comprehensive (expense) income:			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		(5)	16
		<hr/>	<hr/>
Total comprehensive income (expense) for the period		55,339	(6,708)
		<hr/> <hr/>	<hr/> <hr/>
Earnings (loss) per share			
Basic	8	HK6.27 cents	(HK0.88 cent)
		<hr/> <hr/>	<hr/> <hr/>
Diluted	8	N/A	(HK0.88 cent)
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 October 2015

		At 31 October 2015	At 30 April 2015
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment		<u>36,670</u>	<u>33,043</u>
Current assets			
Inventories		33,638	30,691
Investments held for trading		111,584	–
Trade and other receivables	9	67,656	50,013
Deposits and prepayments		6,873	5,052
Bank balances and cash		<u>49,163</u>	<u>4,686</u>
		<u>268,914</u>	<u>90,442</u>
Current liabilities			
Trade and other payables	10	35,886	34,721
Trust receipt loans and bills payable		–	4,646
Deposits and accrued expenses		22,209	23,810
Taxation payable		793	926
Bank and other borrowings	11	65,151	29,763
Derivative financial instrument	12	–	1,162
		<u>124,039</u>	<u>95,028</u>
Net current assets (liabilities)		<u>144,875</u>	<u>(4,586)</u>
		<u>181,545</u>	<u>28,457</u>
Capital and reserves			
Share capital		73,667	61,390
Share premium and reserves		<u>94,775</u>	<u>(32,934)</u>
Equity attributable to owners of the Company	13	<u>168,442</u>	<u>28,456</u>
Non-current liability			
Deferred taxation		<u>13,103</u>	<u>1</u>
		<u>181,545</u>	<u>28,457</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

1. BASIS OF PREPARATION

The Group's condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. PRINCIPAL ACCOUNTING POLICIES

The Group's condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 October 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2015.

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

Financial assets at FVTPL

Financial assets classified as at FVTPL represented investments held for trading.

Investments held for trading

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as held for trading are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned in the financial assets.

In the current interim period, the Group has applied, for the first time, the following new Interpretation and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 19	Defined benefit plans: Employees contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle

The amendments to HKFRSs have been applied retrospectively. The application of the 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 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, Korea and other countries (which represent aggregation of other non-reportable operating segments under HKFRS 8).

Segment revenues and results

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

	Turnover		Segment results	
	Six months ended		Six months ended	
	31 October		31 October	
	2015	2014	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
The USA	31,937	29,795	(755)	217
Hong Kong	1,451	819	(43)	6
Europe	1,845	861	(53)	1
The PRC	53,268	55,022	(2,036)	136
Philippines	29,658	20,649	(1,913)	109
Malaysia	11,991	11,147	(341)	14
Singapore	5,457	5,997	(155)	8
Thailand	12,768	10,062	(363)	13
	<hr/>	<hr/>	<hr/>	<hr/>
Reportable segment total	148,375	134,352	(5,659)	504
Other countries	7,832	10,238	(121)	105
	<hr/>	<hr/>	<hr/>	<hr/>
	156,207	144,590	(5,780)	609
Eliminations	(3,709)	(3,328)	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
Group's turnover and segment results	152,498	141,262	(5,780)	609
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation of property, plant and equipment			(2,084)	(6,571)
Net (loss) gain on fair value change of derivative financial instrument			(153)	2,401
Net gain on fair value changes of investments held for trading			79,401	–
Unallocated interest income			3	2
Unallocated corporate expenses			(1,659)	(1,900)
Interest on bank borrowings			(520)	(580)
			<hr/>	<hr/>
Profit (loss) before taxation			69,208	(6,039)
			<hr/>	<hr/>

Included in the USA and the PRC reportable segments are revenue from inter-segments of HK\$3,407,000 (2014: HK\$2,518,000) and HK\$302,000 (2014: HK\$810,000) respectively.

Segment results represents the profit (loss) from each segment without allocation of corporate expenses which include directors' remuneration, depreciation expenses, net (loss) gain on fair value changes of derivative financial instrument and investments held for trading, interest income on bank deposits and interest expense on bank borrowings. 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.

Segment assets

The follows is an analysis of the Group's assets by reportable segment:

	At 31 October 2015 <i>HK\$'000</i> (Unaudited)	At 30 April 2015 <i>HK\$'000</i> (Audited)
The USA	11,489	9,519
Hong Kong	565	1,050
Europe	131	433
The PRC	29,373	20,150
Philippines	8,169	6,462
Malaysia	2,784	3,200
Singapore	1,503	2,064
Thailand	3,661	2,900
	<hr/>	<hr/>
Reportable segment total	57,675	45,778
Other countries	1,164	4,235
	<hr/>	<hr/>
	58,839	50,013
Unallocated		
Property, plant and equipment	36,670	33,043
Inventories	33,638	30,691
Investments held for trading	111,584	–
Bank balances and cash	49,163	4,686
Other unallocated assets	15,690	5,052
	<hr/>	<hr/>
Consolidated total assets	305,584	123,485

For the purposes of monitoring segment performance and allocating resources between segments, all assets are allocated to operating segments other than property, plant and equipment, inventories, investments held for trading, deposits and prepayments and bank balances and cash. No segment information on liabilities is presented as such information is not regularly reported to the CODM for the purpose of resource allocation and performance assessment.

4. OTHER INCOME

	Six months ended	
	31 October	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Sales of by-products and scrap	5,413	5,243
Interest income on bank deposits	3	2
Sundry income	6	28
	<u>5,422</u>	<u>5,273</u>

5. TAXATION

	Six months ended	
	31 October	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax		
PRC Enterprise Income Tax	762	685
Deferred tax charge (<i>Note</i>)	13,102	–
	<u>13,864</u>	<u>685</u>

Note: Deferred tax charge during the six months ended 31 October 2015 is arising from the fair value change on investments held for trading.

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.

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 periods.

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

6. PROFIT (LOSS) FOR THE PERIOD

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

	Six months ended 31 October	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Repair and maintenance expenses	7,086	6,561
Impairment for (reversal of impairment for) inventories (included in raw materials and consumables used) (<i>Note</i>)	50	(159)
Reversal of bad and doubtful debts	–	(35)
Operating lease rentals in respect of premises	7,938	5,775
	<u>7,938</u>	<u>5,775</u>

Note: During the six months ended 31 October 2014, certain slow moving inventories which were previously written down have been utilised and the original costs of these inventories are considered recoverable, resulted in the reversal of allowance for inventories.

7. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 31 October 2015 (2014: nil).

8. EARNINGS (LOSS) PER SHARE

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

	Six months ended 31 October	
	2015	2014
	(Unaudited)	(Unaudited)
Profit (loss) for the period for the purposes of basic and diluted earnings (loss) per share	<u>HK\$55,344,000</u>	<u>(HK\$6,724,000)</u>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings (loss) per share	<u>882,476,049</u>	<u>767,373,549</u>

The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options as the exercise prices of the share options of the Company were higher than the average market price per share during the six months ended 31 October 2014. There was no outstanding share options during the six months ended 31 October 2015.

9. 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 2015 <i>HK\$'000</i> (Unaudited)	At 30 April 2015 <i>HK\$'000</i> (Audited)
Trade receivables		
Within 30 days	35,977	20,615
Between 31 and 60 days	14,839	16,242
Between 61 and 90 days	6,400	6,540
Over 90 days	1,623	6,053
	<hr/>	<hr/>
	58,839	49,450
Other receivables	8,817	563
	<hr/>	<hr/>
	67,656	50,013
	<hr/> <hr/>	<hr/> <hr/>

10. 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 2015 <i>HK\$'000</i> (Unaudited)	At 30 April 2015 <i>HK\$'000</i> (Audited)
Trade payables		
Within 30 days	4,869	6,074
Between 31 and 60 days	4,315	4,029
Between 61 and 90 days	5,048	2,162
Over 90 days	10,877	9,487
	<hr/>	<hr/>
	25,109	21,752
Other payables	10,777	12,969
	<hr/>	<hr/>
	35,886	34,721
	<hr/> <hr/>	<hr/> <hr/>

11. BANK AND OTHER BORROWINGS

	At 31 October 2015 <i>HK\$'000</i> (Unaudited)	At 30 April 2015 <i>HK\$'000</i> (Audited)
Collateralised bank borrowings (<i>Note a</i>)	33,140	29,047
Borrowings from a director (<i>Note b</i>)	32,011	716
	<u>65,151</u>	<u>29,763</u>
Carrying amount shown under current liabilities: Repayable on demand or within one year	<u>65,151</u>	<u>29,763</u>

Notes:

- (a) The collateralised bank borrowings were bank advance from the factoring of the Group's trade receivables and carry interest at USD trade finance rate minus 0.5% per annum and contained a repayable on demand clause.
- (b) The borrowings 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.

12. DERIVATIVE FINANCIAL INSTRUMENT

	At 31 October 2015 <i>HK\$'000</i> (Unaudited)	At 30 April 2015 <i>HK\$'000</i> (Audited)
Derivative financial liability: Structured currency forwards contract	<u>-</u>	<u>1,162</u>

The Group entered into a RMB/USD net-settled structured foreign currency forwards contracts (the "Contract A") with a bank in order to manage the Group's currency risk.

The aggregate notional amount of the Contract A is USD14,400,000 with 18 equal monthly settlements commencing from May 2014 without considering the potential knock out feature which may result in early termination of the contract. For the transactions that are going to settle in the first 10 months of the contract period, the Group is required to sell USD and buy RMB at a strike price of RMB6.08 to USD1.00. There will be no settlement when the spot rate respective settlement date is within the range from RMB6.08 to RMB6.18 for USD1.00. For the transactions in remaining contract term, the Group is required to sell USD and buy RMB at a strike price of RMB6.055 for USD1.00. There will be no settlement when the spot rate at respective settlement date is within RMB6.055 to RMB6.15 for USD1.00. The Contract A contains a knock out feature where the accumulative monthly gain by the Group from it has reached RMB296,000 on any monthly settlement date, the remaining monthly settlement of the Contract A would be automatically terminated on that date. As at 31 October 2015, Contract A has been fully matured.

13. EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Capital redemption reserve HK\$'000	Share options reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 May 2014 (audited)	61,390	147,812	40,475	12,310	2,026	268	(189,105)	75,176
Loss for the period	-	-	-	-	-	-	(6,724)	(6,724)
Other comprehensive income for the period	-	-	-	-	-	16	-	16
Total comprehensive income (expense) for the period	-	-	-	-	-	16	(6,724)	(6,708)
Forfeiture of share options	-	-	-	-	(156)	-	156	-
At 31 October 2014 (unaudited)	<u>61,390</u>	<u>147,812</u>	<u>40,475</u>	<u>12,310</u>	<u>1,870</u>	<u>284</u>	<u>(195,673)</u>	<u>68,468</u>
At 1 May 2015 (audited)	61,390	147,812	40,475	12,310	-	284	(233,815)	28,456
Profit for the period	-	-	-	-	-	-	55,344	55,344
Other comprehensive expenses for the period	-	-	-	-	-	(5)	-	(5)
Total comprehensive (expense) income for the period	-	-	-	-	-	(5)	55,344	55,339
Issue of shares	12,277	73,665	-	-	-	-	-	85,942
Transaction costs attributable to issue of shares	-	(1,295)	-	-	-	-	-	(1,295)
At 31 October 2015 (unaudited)	<u>73,667</u>	<u>220,182</u>	<u>40,475</u>	<u>12,310</u>	<u>-</u>	<u>279</u>	<u>(178,471)</u>	<u>168,442</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Group reported a turnover of HK\$152,498,000 for the six months ended 31 October 2015, representing an increase of 8.0% as compared with HK\$141,262,000 for the same period last year. The Group's consolidated profit for the six months ended 31 October 2015 amounted to HK\$55,344,000, as compared with a loss of HK\$6,724,000 for the corresponding period in 2014. Earnings per share for the period was HK\$ 6.27 cents (2014: loss per share of HK\$0.88 cent).

Dividend

The Directors do not recommend the payment of an interim dividend for the Period (2014: nil).

Business Review

The Group faced many challenges in the tough business environment for the six months ended 31 October 2015. However, thanks to the dedicated efforts of its staff, the Group achieved an increase in turnover of 8.0% to HK\$152,498,000 (2014: HK\$141,262,000) during the period under review.

During the period under review, staff costs increased to HK\$45,368,000 (2014: HK\$41,837,000), representing 29.7% (2014: 29.6%) of the Group's turnover. The Group will continue to implement policies to mitigate the increasing labour costs.

During the period under review, other expenses increased to HK\$42,767,000 (2014: HK\$40,758,000), representing 28.0% (2014: 28.9%) of the Group's turnover. The Group will continue to tighten its expenditure in its efforts to minimize the impact of increasing factory operating costs.

Liquidity and Financial Resources

The Group's cash and bank balances amounted to HK\$49,163,000 as at 31 October 2015 (30 April 2015: HK\$4,686,000). To finance its working capital, the Group has incurred total outstanding debts of HK\$65,151,000 as at 31 October 2015 (30 April 2015: HK\$29,763,000), which comprised nil (30 April 2015: HK\$1,095,000) of trust receipt loans, HK\$33,140,000 (30 April 2015: HK\$29,047,000) of collateralized bank borrowings and a HK\$32,011,000 (30 April 2015: HK\$716,000) loan from a director. In terms of interest costs, HK\$33,140,000 (30 April 2015: HK\$30,142,000) was interest bearing and HK\$32,011,000 (30 April 2015: HK\$716,000) was interest free.

The net debt gearing ratio was 9.5% as at 31 October 2015 (30 April 2015: 88.1%).

Foreign Exchange Risk Management

The Group's transactions and monetary assets are primarily denominated in Hong Kong dollars, US dollars and Renminbi. The fluctuations in currency exchange rates for the six months ended 31 October 2015 did not adversely affect the Group's operations or liquidity.

For the six months ended 31 October 2015, the Group has used a foreign exchange contract to manage the currency exchange risk of Renminbi against US dollars which was expired at the end of the reporting period. This foreign exchange contract was entered into to hedge against the Group's exposure to currency fluctuations and it is the policy of the Group not to enter into any derivative contracts purely for speculative activities.

Capital Expenditure

During the period under review, the Group invested HK\$5,711,000 (30 April 2015: HK\$5,575,000) in acquiring property, plant and equipment. This capital expenditure was financed mainly from internal financial resources.

Pledge of Assets

As at 31 October 2015, trade receivables with a carrying amount of approximately HK\$43,718,000 (30 April 2015: HK\$36,611,000) were pledged to secure bank borrowings granted to the Group.

Employees and Emolument Policy

As at 31 October 2015, the total number of employees of the Group was approximately 1,130 (30 April 2015: 1,010). 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.

Placing of New Shares

On 2 June 2015, the Company and the placing agent, Astrum Capital Management Limited ("Astrum Capital"), entered into a placing agreement pursuant to which Astrum Capital agreed to place, to not less than six independent placees, up to 153,470,000 new shares at a price of HK\$0.56 per placing share. The placing shares were issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 18 September 2014. The Directors believed that the placing strengthened the financial position of the Group and broadened the shareholders' base and capital base of the Company. The placing completed on 16 June 2015, and the net proceeds of the placing were approximately HK\$84,647,000. The Group is using, and will continue to use, the net proceeds for the general working capital of the Group. As at 31 October 2015, the net proceeds were utilized as to approximately HK\$317,000 for administrative purposes, as to approximately HK\$32,183,000 for investments in listed securities in Hong Kong, and the remaining amount of approximately HK\$52,147,000 would be used for general working capital purposes.

Significant Investments

As at 31 October 2015, the equity securities acquired by the Group for trading investment purposes comprised of only securities listed on the Stock Exchange of Hong Kong, except for the investment in GreaterChina Professional Services Limited (“GPS”) of approximately HK\$88,000,000 as at 31 October 2015, there was no investment held by the Group which value was more than 5% of the total assets of the Group. The Group held approximately 110,000,000 shares of GPS and recorded an unrealised gain on investment of approximately HK\$76,834,000 (excluding potential tax effect of approximately HK\$12,678,000) for the six months ended 31 October 2015.

The major activities of GPS are provision of asset advisory services and asset appraisal, corporate services and consultancy, media advertising and financial services in Hong Kong. The Directors considered that the future prospects of GPS may be affected by external market conditions, and will continue to monitor and assess the Group’s investment.

The Group will continue to adopt a diversified investment strategy including investing in quality stocks with a view to enhance shareholders’ return.

Prospects

The Group will continuously strengthen its engineering and production departments in order to maintain its competitive edges of short lead times and high production planning flexibility. These competitive edges will enable the Group to serve its customers better and may eventually expand the Group’s market share.

In order to improve the Group’s operational performance, the Group will continue to implement plans to increase its production efficiency and capacity. The Group will keep deploying resources to upgrade and restructure existing plant and machinery to improve the Group’s competitiveness and fulfill different production requirements.

In addition, the Group will continue to explore other business opportunities with a view to generate improved returns to our 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 Company has adopted its own Code on Corporate Governance Practices (the “QPL Code”) incorporating the principles and code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules on the Stock Exchange. A copy of the QPL Code is posted on the Company’s website (www.qpl.com).

For the Period, the Company has applied the principles and complied with all the code provisions set out in the CG Code except for the deviations explained in the relevant paragraphs below.

Code Provision A.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 Tung Lok has been the Chairman of the Board since the establishment of the Company in January 1989. Mr. Li has also served as the Chief Executive 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 three out of seven 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.

Code Provision A.4.2 of the CG Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Under the Bye-laws of the Company, half of the Directors (excluding Director(s) holding office as executive chairman and/or managing director, who is/are, by virtue of Bermuda law, exempted from retirement by rotation) shall retire from office at each annual general meeting of the Company and shall be eligible for re-election. As the executive Chairman of the Board, Mr. Li Tung Lok is not subject to retirement by rotation. In order to comply with Code Provision A.4.2, Mr. Li 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 15 September 2015, Mr. Li voluntarily retired from office and was re-elected as executive Director.

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. Owing to other business engagements, the Chairman of the Board, Mr. Li Tung Lok was unable to attend the annual general meeting of the Company held on 15 September 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for dealings in the securities of the Company by Directors. All Directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standard set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

REVIEW OF ACCOUNTS

The unaudited consolidated interim results of the Group for the Period 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 HKICPA. The auditor's independent review report will be included in the Company's interim report for the Period to the Shareholders. The unaudited consolidated interim results of the Group for the Period 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 (www.hkexnews.hk) and the Company (www.qpl.com). The Company's interim report for the Period 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 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, 18 December 2015

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Li Tung Lok (Executive Chairman and Chief Executive), Mr. Phen Hoi Ping, Patrick, Ms. Tung Siu Ching, one Non-executive Director, namely Mr. Wong Wai Man, and three Independent Non-executive Directors, namely Mr. How Sze Ming, Mr. Lee Kwok Wan and Mr. Yau Chi Hang.