



# QPL International Holdings Limited

(Incorporated in Bermuda with limited liability)

For Immediate Release

## QPL Announces Interim Results for the six months ended 31 October 2006

### FINANCIAL HIGHLIGHTS

	Six months ended 31 October		Increase (Decrease)	
	2006	2005	Amount	%
Turnover (HK\$'M)	153	199	(46)	(23)
Loss for the period, before losses arising from changes in fair value of derivative financial instruments (HK\$'M)	(23)	(29)	6	21
Loss for the period (HK\$'M)	(40)	(29)	(11)	(38)
Loss per share (HK\$)	(0.05)	(0.05)	--	--
	As at 31 October 2006	As at 30 April 2006	Decrease in %	
Net debt gearing ratio (%) (Note)	20	26	6	

*Note: Net debt gearing ratio is defined as total debts, including borrowings, trust receipt loans and bill payables less cash on hand over shareholders' equity.*

22 January 2007 – QPL International Holdings Limited (the “Company” or “QPL”, together with its subsidiaries, the “Group”, Stock Code: 243) announced its unaudited interim results for the six months ended 31 October 2006.

For the six months ended 31 October 2006, the Group recorded a turnover of HK\$153 million, representing a 23% decrease from HK\$199 million for the corresponding period last year. Loss for the period under review amounted to HK\$40 million which comprised HK\$17 million (2005: Nil) of losses arising from the changes in fair value of derivative financial instruments and HK\$5 million (2005: HK\$6 million) of share of losses of an associate as compared with the loss for the last corresponding period of HK\$29 million. Basic loss per share for the period under review was HK\$0.05

(2005: HK\$0.05). Net debt gearing ratio also improved to 20% as at balance sheet date, as compared to 26% at the start of the period under review.

Commenting on the Group's interim results, Mr. Li Tung Lok, Chairman of QPL, said, "During the period under review, the drop in Group's turnover was mainly attributable to the sudden drop in sales to ASAT Holdings Limited ("ASAT") as a result of ASAT shifting its sales mix away from leadframe based products."

Subsequent to the appointment of Mr. Li Tung Lok as Acting Chief Executive Officer of ASAT on 1 September 2006, ASAT reported a net revenue of approximately US\$87.3 million (equivalent to approximately HK\$679 million) for the six months period ended 31 October 2006, which represented a slight rise in net revenue of 4% as compared to US\$84.5 million (equivalent to approximately HK\$655 million) for the corresponding period in 2005.

With the move to China finished and customers qualified, ASAT is ramping up production at the new facility. The China factory is producing significant cost savings, as evidenced by its total labor and fixed manufacturing costs dropping by approximately 15 %. These cost savings were main contributors in support of gross margins levels. Accordingly, for the period under review, ASAT reported a narrowed net loss of US\$16.4 million (equivalent to approximately HK\$127 million) on its accounts prepared in accordance with accounting principles generally accepted in the United States of America, compared a net loss of US\$19.4 million (equivalent to approximately HK\$150 million) in the last corresponding period.

Looking ahead, Mr. Li is optimistic with the business prospect of QPL. "In November 2006, the Semiconductor Industry Association ("SIA") forecasted world demand for semiconductors to grow with a compound annual growth rate of 9% for the forecast period, 2006-2009. In January 2007, SIA anticipated that 2007 would be another good year with a forecast of 10% growth over 2006. Furthermore, the Group's sales to ASAT, since the last quarter in the calendar year 2006, have been on the rise as ASAT re-balanced its sales mix in favour of products incorporating leadframes. QPL will continue to diversify its customer base while further reducing its cost structure to meet the market challenges, and striving for better returns to shareholders." Mr. Li concluded.

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**About QPL :**

QPL is an investment holding company whose subsidiaries and associates manufacture integrated circuit leadframes and provide assembly and testing of integrated circuits for multinational companies in North America, Europe and Asia. QPL has been listed on the Stock Exchange of Hong Kong since 1989. ASAT is a company listed on the NASDAQ Capital Market, and is an approximately 42.54% owned associated company of QPL.

**This press release is issued by PR Concepts Co. Ltd for and on behalf of QPL International Holdings Limited. For further enquiries, please contact:**

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