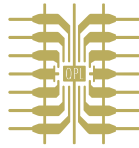


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QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2019

The Board of Directors (the “Board” or “Directors”) of QPL International Holdings Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 30 April 2019 together with the comparative figures for the year ended 30 April 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2019

	<i>NOTES</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Revenue	3	282,743	315,861
Changes in inventories of finished goods and work in progress		(5,735)	(5,298)
Raw materials and consumables used		(128,512)	(148,885)
Other income	4	16,699	18,005
Exchange (loss)/gain, net		(3,074)	(4,185)
Net fair value loss on financial asset at fair value through profit or loss ("FVTPL")		(13,293)	(47,517)
Realised gain/(loss) on disposal of financial asset at FVTPL		1,292	(131,235)
Other gains and losses	4	174	94
Staff costs		(84,612)	(94,926)
Equity-settled share-based payment expense		(8,500)	(19,040)
Depreciation of property, plant and equipment		(11,271)	(6,653)
Other expenses		(90,381)	(86,472)
Finance cost		(38)	(43)
		<hr/>	<hr/>
Loss before taxation		(44,508)	(210,294)
Taxation	5	(914)	(1,129)
		<hr/>	<hr/>
Loss for the year	6	(45,422)	(211,423)
		<hr/>	<hr/>
Other comprehensive income/(expense) for the year:			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		3,733	1,800
		<hr/>	<hr/>
Total comprehensive expense for the year		(41,689)	(209,623)
		<hr/>	<hr/>
Loss per share	8		
Basic and diluted		(HK2.01 cents)	(HK9.37 cents)
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 APRIL 2019

	<i>NOTES</i>	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Non-current asset			
Property, plant and equipment		<u>160,853</u>	<u>162,701</u>
Current assets			
Inventories		45,487	47,436
Trade and other receivables	9	109,558	116,474
Deposits and prepayments		23,074	24,697
Financial asset at FVTPL		43,891	50,057
Loan receivables	10	20,323	23,887
Bank balances and cash		<u>131,276</u>	<u>150,249</u>
		<u>373,609</u>	412,800
Current liabilities			
Trade and other payables	11	17,752	32,989
Deposits and accrued expenses		35,071	33,329
Taxation payable		809	919
Bank and other borrowings		12,596	4,236
Obligations under finance leases		<u>457</u>	<u>508</u>
		<u>66,685</u>	71,981
Net current assets		<u>306,924</u>	<u>340,819</u>
		<u>467,777</u>	<u>503,520</u>
Capital and reserves			
Share capital		180,501	180,501
Share premium and reserves		<u>287,276</u>	<u>322,562</u>
Equity attributable to owners of the Company		<u>467,777</u>	<u>503,063</u>
Non-current liabilities			
Obligations under finance leases		<u>–</u>	<u>457</u>
		<u>467,777</u>	<u>503,520</u>

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 (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The Group's consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

2. APPLICATION OF NEW AND REVISED HKFRSs

The Company and its subsidiaries (collectively referred to as the "Group") has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year.

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)–Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the amendments to HKFRSs on the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out on these consolidated financial statements. The above new HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which result in changes in accounting policies, amounts reported and/or disclosures as described below.

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

Impact on the consolidated financial statements

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

Consolidated statement of financial position (extract)	30 April 2018 <i>HK\$'000</i>	HKFRS 9 <i>HK\$'000</i>	1 May 2018 <i>HK\$'000</i>
Current assets			
Trade and other receivables	116,474	(985)	115,489
Loan receivables	23,887	(1,112)	22,775
Net current assets	340,819	(2,097)	338,722
Net assets	503,520	(2,097)	501,423
Capital and reserves			
Reserve	322,562	(2,097)	320,465
Total equity	<u>503,520</u>	<u>(2,097)</u>	<u>501,423</u>

HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 Financial Instruments, Amendments to HKFRS 9 Prepayment Features with Negative Compensation and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, and (2) expected credit losses (“ECL”) for financial assets.

The Group has applied HKFRS 9 in accordance with the transition provisions set out on HKFRS 9. i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 May 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 May 2018. The difference between carrying amounts as at 30 April 2018 and the carrying amounts as at 1 May 2018 are recognised in the opening accumulated losses and other components of equity without restating comparative information.

Accordingly certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement.

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

Classification and measurement of financial assets and financial liabilities at amortised cost

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15. All recognised financial assets and financial liabilities that are within the scope of HKFRS 9 are subsequently measured at amortised cost except derivative financial instruments which are continued to be recognised at fair value under HKFRS 9 as financial assets at fair value through profit or loss.

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. The impact of the change an impairment methodology is as follows:

Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Except for those which had been determined as credit impaired under HKAS 39, ECL for other financial assets at amortised cost, including other receivables and bank balance and cash are assessed on 12-month ECL (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition.

Other financial assets measured at amortised cost

ECL for other financial asset, at amortised cost including other receivables and balance and cash are assessed on 12-month ECL (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition.

As at 1 May 2018, the directors of the Company reviewed and assessed the Group’s existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9.

The following tables summarized the impact of transition HKFRS 9 on the opening balance of accumulated losses, net of tax, as 1 May 2018 as follow:

	<i>HK\$’000</i>
At 30 April 2018	511,322
Increase in ECL in	
– Trade receivables	142
– Loan receivables	1,112
– Other receivables	843
	<hr/>
At 1 May 2018 (restated)	<u>513,419</u>

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

Other financial assets measured at amortised cost – continued

All loss allowances including trade receivables and other receivables as at 30 April 2018 reconciled to the opening loss allowances as at 1 May 2018 are as follows:

	Trade receivables <i>HK\$'000</i>	Loan receivables <i>HK\$'000</i>	Other receivables <i>HK\$'000</i>
At 30 April 2018 – HKAS 39			
Amounts re-measured through opening	–	–	–
– Accumulated losses	142	1,112	843
	<hr/>	<hr/>	<hr/>
At 1 May 2018 – HKFRS 9	142	1,112	843
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

HKFRS 15 Revenue from Contracts with Customers and the related amendments

The Group has applied HKFRS 15 for the first time in the current year, HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application 1 May 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to the contracts that are not completed at 1 May 2018. Accordingly certain comparative information may not be comparable as comparative information was prepared with HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations.

Information about the Group's performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes to the audited consolidated financial statements.

There is no impact of transition to HKFRS 15 on accumulated losses at 1 May 2018.

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

New and revised HKFRSs in issue 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:

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contract ²
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 10 and HKAS 28	Sale and Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle ¹

¹ Effective for annual periods beginning on or after 1 May 2019

² Effective for annual periods beginning on or after 1 May 2021

³ Effective for annual periods beginning on or after a date to be determined

⁴ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual periods beginning on or after 1 May 2020

⁵ Effective for annual periods beginning on or after 1 May 2020

3. REVENUE AND SEGMENTAL INFORMATION

Revenue

Revenue represents the amounts received and receivables for goods sold by the Group to external customers less sales returns and discounts. All revenue contracts are for period of one year or less, as permitted by practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

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 Group currently operates in one business segment in the manufacture and sale of integrated circuit leadframes, heatsinks, stiffeners and related product. A single management team reports to chief operating decision makers who comprehensively manages the entire business. Accordingly, the Group does not have separate reportable segments.

The customers of the Group are mainly located in the United States of America (the “USA”), Hong Kong, Europe, the People’s Republic of China (the “PRC”), Philippines, Malaysia, Singapore, Thailand. Customers located in other countries have been aggregated into a single reportable segment as the segments do not meet the quantitative thresholds as set out in HKFRS 8.

3. REVENUE AND SEGMENTAL INFORMATION – continued

Segmental information – continued

Segment revenues and results

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

	Revenue		Segment results	
	2019 HK\$'000	2018 HK\$'000	2019 HK\$'000	2018 HK\$'000
The USA	30,512	38,420	1,756	442
Hong Kong	2,166	2,535	138	30
Europe	43,214	12,543	2,756	149
The PRC	80,196	113,597	1,876	1,273
Philippines	8,267	33,369	522	399
Malaysia	50,319	55,916	3,126	748
Singapore	11,816	14,446	754	171
Thailand	37,040	32,528	2,362	385
Reportable segment total	263,530	303,354	13,290	3,597
Other countries	22,629	16,407	1,425	317
	286,159	319,761	14,715	3,914
Eliminations	(3,416)	(3,900)	–	–
Revenue to external customers and segment results	282,743	315,861	14,715	3,914
Net gain on disposal of property, plant and equipment			–	94
Net fair value loss on financial asset at FVTPL			(13,293)	(47,517)
Realised gain/(loss) on disposal of financial asset at FVTPL			1,292	(131,235)
Equity-settled share-based payment expenses			(8,500)	(19,040)
Depreciation of property, plant and equipment			(11,271)	(6,653)
Unallocated interest income			1,984	8,868
Unallocated corporate expenses			(29,397)	(18,682)
Finance cost			(38)	(43)
Loss before taxation			(44,508)	(210,294)

Included in the PRC reportable segments are revenue from inter-segments of approximately HK\$3,416,000 (2018: HK\$3,900,000).

The accounting policies of the operating segment are the same as the Group's accounting policies. Segment profit/(loss) represents the profit/(loss) from each segment without allocation of corporate expenses which include directors' remuneration, depreciation expenses, net gain on disposal of property, plant and equipment, net fair value loss on financial asset at FVTPL, realised gain/(loss) on disposal of financial asset at FVTPL, equity-settled share-based payment expenses, and finance cost. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

3. REVENUE AND SEGMENTAL INFORMATION – continued

Segmental information – continued

Segment assets

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

Segment asset

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
The USA	4,648	6,751
Hong Kong	145	290
Europe	13,896	7,771
The PRC	15,764	34,698
Philippines	1,771	3,367
Malaysia	5,006	8,166
Singapore	1,225	2,367
Thailand	7,848	5,499
	<hr/>	<hr/>
Reportable segment total	50,303	68,909
Other countries	3,407	1,300
	<hr/>	<hr/>
	53,710	70,209
Unallocated		
Property, plant and equipment	160,853	162,701
Inventories	45,487	47,436
Financial asset at FVTPL	43,891	50,057
Other receivables	55,848	46,265
Loan receivables	20,323	23,887
Bank balances and cash	131,276	150,249
Deposits and prepayments	23,074	24,697
	<hr/>	<hr/>
Consolidated total assets	<u>534,462</u>	<u>575,501</u>

3. REVENUE AND SEGMENTAL INFORMATION – continued

Segmental information – continued

Segment assets – continued

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, financial asset at FVTPL, inventories, other receivables, loan receivables, 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 resources allocation and performance assessment.

Geographical information by location of assets

The Group's non-current assets of approximately HK\$45,855,000 (2018: HK\$43,917,000) are located in the PRC and approximately HK\$114,998,000 (2018: HK\$118,784,000) are located in Hong Kong based on physical location of assets.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Other income		
Sales of by-products and scrap	7,827	5,029
Bank interest income	12	12
Interest income from loan receivables	1,973	8,856
Rental income	2,479	1,276
Sundry income	4,408	2,832
	<u>16,699</u>	<u>18,005</u>
Other gains and losses		
Net gain on disposal of property, plant and equipment	–	94
Reversal of allowance for expected credit losses on trade receivables	52	–
Reversal of allowance for expected credit losses on loan receivables	103	–
Reversal of allowance for expected credit losses on other receivables	19	–
	<u>174</u>	<u>94</u>

5. TAXATION

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
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The charge comprises:

Current tax:

PRC Enterprise Income Tax	<u>914</u>	<u>1,129</u>
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No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising from Hong Kong for the 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 subsidiary is 25% from 1 January 2008 onwards.

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

6. LOSS FOR THE YEAR

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

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
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Directors' emolument	2,569	2,730
Salaries and allowances of other staffs	75,654	87,106
Contributions to retirement benefit scheme contributions of other staffs	6,389	5,090
Total employee benefits expense	<u>84,612</u>	94,926
Repair and maintenance expenses	21,114	20,517
Auditors' remuneration	900	1,119
Interest on obligation under finance lease	26	43
Operating lease rentals in respect of premises	14,104	16,309
Depreciation of property, plant and equipment	11,271	6,653
Net foreign exchange loss	3,074	4,185
Share-based payment expense	<u>8,500</u>	<u>19,040</u>

7. DIVIDEND

No dividend was paid or proposed during the year ended 30 April 2019 (2018: nil). The directors of the Company do not recommend the payment of a dividend for the year ended 30 April 2019 (2018: 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:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Loss for the year attributable to the owners of the Company for the purposes of basic and diluted loss per share	<u>(45,422)</u>	<u>(211,423)</u>
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	<u>2,256,265,322</u>	<u>2,256,265,322</u>

The computation of loss per share for both years does not assume the exercise of the Company's outstanding share options as their exercise would result in a decrease in loss per share.

9. TRADE AND OTHER RECEIVABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade receivables	53,894	70,302
Less: Allowance for expected credit losses	<u>(184)</u>	<u>(93)</u>
	<u>53,710</u>	<u>70,209</u>

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 expected credit losses presented based on the invoice date at the end of the reporting period:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Within 30 days	21,865	26,306
Between 31 and 60 days	21,246	27,044
Between 61 and 90 days	5,739	7,097
Over 90 days	<u>4,860</u>	<u>9,762</u>
	<u>53,710</u>	<u>70,209</u>

10. LOAN RECEIVABLES

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Within 30 days	–	–
Between 31 and 60 days	–	–
Between 61 and 90 days	–	10,735
Over 90 days	<u>21,332</u>	<u>13,152</u>
	21,332	23,887
Less: Allowance for expected credit losses	<u>(1,009)</u>	–
	<u>20,323</u>	<u>23,887</u>

The loan to customers were repaid in accordance with the terms of the loan agreements and all loan receivables are recoverable within one year.

11. 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:

	2019 <i>HK\$'000</i>	2018 <i>HK\$'000</i>
Trade payables		
Within 30 days	8,104	9,189
Between 31 and 60 days	4,413	8,349
Between 61 and 90 days	2,007	5,239
Over 90 days	<u>3,217</u>	<u>10,199</u>
	17,741	32,976
Other payables	<u>11</u>	<u>13</u>
	<u>17,752</u>	<u>32,989</u>

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

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the fiscal year under review, the Group reported a turnover of HK\$282.74 million, representing a decrease of 10.49% as compared with HK\$315.86 million for the previous year. The Group's consolidated loss for the year amounted to HK\$45.42 million as compared with a consolidated loss of HK\$211.42 million for the previous year. Basic loss per share was HK2.01 cents (2018: HK9.37 cents). Recurring LBITDA, computed as loss before tax excluding net fair value loss on financial asset at FVTPL, realised gain on disposal of financial asset at FVTPL, depreciation and finance cost, amounted to a LBITDA of HK\$21.20 million (2018: Recurring LBITDA, computed as loss before tax excluding net fair value loss on financial asset at FVTPL, realised loss on disposal of financial asset at FVTPL, depreciation and finance cost, amounted to a LBITDA of HK\$24.85 million).

Dividend

The Directors do not recommend the payment of a dividend for the year (2018: nil).

Business Review

During the year under review, the Group was suffered from unfavourable business environment and recorded a decrease in turnover of 10.49% to HK\$282.74 million (2018: HK\$315.86 million) during the year.

During the year, staff costs decreased by 10.87% to HK\$84.61 million (2018: HK\$94.93 million) representing 29.93% (2018: 30.05%) of the Group's turnover. Other expenses increased by 4.52% to HK\$90.38 million (2018: HK\$86.47 million) representing 31.97% (2018: 27.38%) of the Group's turnover during the year. The Group will continue to monitor the market and consequently adjust its labour force and labour structure in order to achieve a better staff mix to enhance labour efficiency. The Group will also continuously tighten its expenditure in its efforts to minimise the impact of increasing factory operating costs.

The financial results of the Group were also affected by the net fair value loss on financial asset at FVTPL of approximately HK\$13.29 million during the year under review. The net fair value loss on financial asset at FVTPL comprised of i) the fair value loss on investment in unlisted equity securities of Henghua Global New Opportunity Fund SP (the "Fund") (approximately HK\$0.42 million), and ii) the fair value loss on investment in listed equity securities of China Properties Investment Holdings Limited ("CPI") (approximately HK\$1.40 million) and WLS Holdings Limited ("WLS") (approximately HK\$8.40 million). Details of the financial asset at FVTPL are disclosed in the "Significant Investments" section below.

Prospects

The Group will continue to strengthen its engineering and production departments in order to maintain its competitive edges for short lead times and high production planning flexibility. These competitive edges will enable the Group to serve its customers better and should 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. In order to improve the Group's competitiveness and fulfill different production requirements, the Group would deploy resources to upgrade and restructure existing plants and machineries, and environmental protection facilities.

In addition, the Group will continue to explore other business opportunities with a view to expanding its principal manufacturing business and generating improved returns to our shareholders.

Significant Investments

Since there was no financial asset at FVTPL and other investments held by the Group valued more than 5% of the total assets of the Group as at 30 April 2019, there were no significant investments held by the Group. Details of the financial asset at FVTPL held by the Group were as follows:

	As at 30 April 2019		As at 30 April 2018
Financial asset at FVTPL	Fair value <i>HK\$'000</i>	Approximately percentage to the total asset	Fair value <i>HK\$'000</i>
Listed equity securities			
WLS	18,639	3.49%	26,980
China Investment and Finance Group Limited ("CIF")	8,398	1.57%	3,121
CPI	6,028	1.13%	6,464
Other listed equity securities (<i>Note 1</i>)	<u>7,762</u>	<u>1.45%</u>	<u>10,005</u>
Sub-total	<u>40,827</u>	<u>7.64%</u>	<u>46,570</u>
Unlisted equity securities			
The Fund	<u>3,064</u>	<u>0.57%</u>	<u>3,487</u>
Total	<u><u>43,891</u></u>	<u><u>8.21%</u></u>	<u><u>50,057</u></u>

Note:

- As at 30 April 2019, other listed equity securities comprised 5 listed equity securities and none of them was more than 1% of the total assets of the Group.

WLS, CIF and CPI are listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The major activities of WLS are the provision of scaffolding and fitting out services, management contracting services and other services for construction and buildings work, money lending business, securities brokerage and margin financing and securities investment business. The major activities of CIF are securities trading and investment holding. The major activities of CPI are the properties investment, money lending and financial services. The Fund is managed by Henghua Global Fund SPC, an exempted company incorporated with limited liability under the laws of the Cayman Islands. The investment objective of the Fund is to generate income and/or achieve capital appreciation through investing in a variety of the investments.

The Directors considered that the future prospects of the financial asset at FVTPL held by the Group may be affected by external market conditions, and the Directors will continue to monitor and assess the Group’s investment.

Liquidity and Financial Resources

The Group’s bank balances and cash amounted to HK\$131.28 million (2018: HK\$150.25 million). To finance its working capital, the Group has incurred total outstanding debts of HK\$13.05 million as at 30 April 2019 (2018: HK\$5.20 million), which comprised HK\$0.46 million (2018: HK\$0.97 million) of obligations under finance leases and HK\$12.60 million (2018: HK\$4.23 million) amount due to a director. In terms of interest costs, included in the outstanding debts, HK\$0.46 million (2018: HK\$0.97 million) was interest bearing and HK\$12.60 million (2018: HK\$4.23 million) was interest free.

The gearing ratio was 2.8% as at 30 April 2019 (2018: 1.0%).

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 during the year ended 30 April 2019 did not adversely affect the Group’s operations or liquidity.

During the year under review, no foreign exchange contract was entered into by the Group 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.

Pledge of Assets

As at 30 April 2019 and 2018, the Group did not pledge any assets. As at 30 April 2019, motor vehicles with a carrying amount of approximately HK\$0.78 million (2018: HK\$1.19 million) were assets held under finance leases.

Capital Expenditure

During the year ended 30 April 2019, the Group invested HK\$10.79 million (2018: HK\$141.51 million) in acquiring property, plant and equipment. This capital expenditure was financed mainly from internal financial resources.

Employees and Emolument Policy

As at 30 April 2019, the total number of employees of the Group was approximately 1,010 (2018: 1,230). 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.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to building and maintaining best practice standards of corporate governance. The corporate governance principles of the Company emphasise 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 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.

During the year ended 30 April 2019, the Company has applied the principles and complied with all code provisions set out in the CG Code except for the deviations explained in the relevant paragraphs below.

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 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.

Attend the General Meeting

Code provision A.6.7 and E.1.2 of the CG Code stipulates that the Chairman of the Board should attend the annual general meeting of the Company and non-executive Director should attend general meetings of the Company. Owing to other business engagements, the Chairman of the Board, Mr. Li Tung Lok and three independent non-executive Directors, Mr. Chu Chun On Franco, Ms. Chung Hoi Yan and Mr. Yau Chi Hang were unable to attend the annual general meeting of the Company held on 31 October 2018. However, the senior management and the executive Directors of the Company subsequently reported to them on the enquiries from the shareholders of the Company in the general meeting for them to gain and develop a balanced understanding of the views of shareholders of the Company.

AUDIT COMMITTEE

The Audit Committee was established in April 2000. As at the date of this announcement, the Audit Committee has consisted of three independent non-executive Directors, namely, Ms. Chung Hoi Yan (being the Chairman of the Audit Committee), Mr. Chu Chun On Franco and Mr. Liu Rongrui. Ms. Chung Hoi Yan is a qualified accountant with extensive experience in accounting, audit and financial matters.

The terms of reference of the Audit Committee are consistent with those set out in the CG Code and are posted on the websites of the Company and the Stock Exchange.

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;
- monitoring 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 risk management and internal control systems.

The annual report for the year ended 30 April 2019 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 to 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.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.qpl.com) and the Stock Exchange. The Company’s annual report for the year ended 30 April 2019 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. Besides, I also would like to offer my sincere appreciation to all customers, business partners and Shareholders for their continuing support.

On behalf of the Board
QPL International Holdings Limited
Li Tung Lok
Executive Chairman and Chief Executive

Hong Kong, 29 July 2019

As at the date of this announcement, the Board comprises four Executive directors, namely Mr. Li Tung Lok (Executive Chairman and Chief Executive), Mr. Phen Hoi Ping, Patrick, Mr. Wong Ka Lok, Andrew and Ms. Tung Siu Ching and three Independent Non-executive directors, namely Ms. Chung Hoi Yan, Mr. Liu Rongrui and Mr. Chu Chun On, Franco.