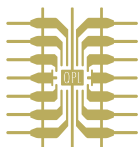


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## **QPL INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 243)**

### **ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2022**

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 2022 together with the comparative figures for the year ended 30 April 2021 as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2022

	<i>NOTES</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	3	<b>488,048</b>	368,321
Raw materials and consumables used		<b>(252,405)</b>	(169,164)
Changes in inventories of finished goods and work in progress		<b>(4,238)</b>	7,702
Other income	4	<b>11,839</b>	10,057
Exchange loss net		<b>(473)</b>	(9,767)
Net fair value gain on financial asset at fair value through profit or loss (“FVTPL”)		<b>17,121</b>	7,982
Fair value loss on derivative financial instruments		–	(696)
Realised gain/(loss) on disposal of financial asset at FVTPL		<b>581</b>	212
Other gains and losses	4	<b>(17,044)</b>	(6,486)
Staff costs		<b>(126,030)</b>	(105,579)
Equity-settled share-based payment expense		–	(2,582)
Depreciation of property, plant and equipment		<b>(9,919)</b>	(8,127)
Depreciation of right-of-use assets		<b>(11,958)</b>	(10,788)
Other expenses		<b>(83,187)</b>	(90,872)
Finance costs	5	<b>(1,507)</b>	(2,058)
Profit/(loss) before taxation		<b>10,828</b>	(11,845)
Taxation	6	<b>(726)</b>	(360)
Profit/(loss) for the year	7	<b>10,102</b>	(12,205)
Other comprehensive (expense)/income for the year: <i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>(2,005)</b>	1,259
Total comprehensive income/(expense) for the year		<b>8,097</b>	(10,946)
Earning/(loss) per share	9		
Basic		<b>HK4.70 cents</b>	(HK6.49 cents)
Diluted		<b>HK4.01 cents</b>	(HK6.49 cents)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 APRIL 2022**

	<i>NOTES</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Non-current asset</b>			
Property, plant and equipment		<b>130,557</b>	128,035
Right-of-use assets		<b>18,243</b>	30,169
		<u><b>148,800</b></u>	<u>158,204</u>
<b>Current assets</b>			
Inventories		<b>97,514</b>	69,393
Trade and other receivables	<i>10</i>	<b>120,615</b>	98,658
Deposits and prepayments		<b>4,906</b>	22,112
Financial asset at FVTPL		<b>91,397</b>	61,023
Loan receivables	<i>11</i>	<b>59,677</b>	14,097
Bond receivables		<b>20,934</b>	–
Bank balances and cash		<b>85,776</b>	187,724
		<u><b>480,819</b></u>	<u>453,007</u>
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>43,382</b>	36,155
Deposits and accrued expenses		<b>59,406</b>	53,607
Contract liabilities		<b>1,626</b>	1,623
Tax payable		<b>1,126</b>	903
Other borrowings		<b>55,021</b>	43,459
Bank borrowings		<b>38,373</b>	39,878
Lease liabilities		<b>13,436</b>	12,858
		<u><b>212,370</b></u>	<u>188,483</u>
<b>Net current assets</b>		<u><b>268,449</b></u>	<u>264,524</u>
<b>Total assets less current liabilities</b>		<u><b>417,249</b></u>	<u>422,728</u>
<b>Non-current liability</b>			
Lease liabilities		<b>6,749</b>	20,325
Convertible bonds		–	8,069
Derivative financial instruments		–	2,411
		<u><b>6,749</b></u>	<u>30,805</u>
<b>Net assets</b>		<u><b>410,500</b></u>	<u>391,923</u>
<b>Capital and reserves</b>			
Share capital		<b>2,256</b>	1,880
Share premium and reserves		<b>408,244</b>	390,043
<b>Equity attributable to owners of the Company</b>		<u><b>410,500</b></u>	<u>391,923</u>

NOTES:

**1. BASIS OF PREPARATION**

The Group's consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which is a collective term that includes all applicable individual HKFRSs, HKASs and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and the Hong Kong Companies Ordinance.

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 and services.

**2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS**

**(a) New and amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has adopted all the new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 May 2021 as mentioned below.

Amendments to HKFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phrase 2

The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current and prior years.

**(b) New and amendments to HKFRSs issued but are not yet effective**

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. These new and revised HKFRSs include the following which may be relevant to the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 cycle <sup>2</sup>
Amendments to HKFRS 3	Reference to Conceptual Framework <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

The Group has already commenced an assessment of the impact of these new and revised HKFRSs so far it has concluded that the adoption of them is unlikely to have a material impact on its results of operations and financial position.

### **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. All revenue were recognised at point in time.

#### **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	
	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
The USA	60,315	27,933	3,742	1,411
Hong Kong	1,767	1,181	110	67
Europe	52,679	40,427	3,269	2,634
The PRC	137,233	138,598	8,515	3,023
Philippines	29,118	14,278	1,807	762
Malaysia	162,760	117,203	10,099	6,760
Singapore	7,540	2,509	468	255
Thailand	31,814	15,291	1,973	901
Reportable segment total	483,226	357,420	29,983	15,813
Other countries	9,496	14,808	589	850
	492,722	372,228	30,572	16,663
Eliminations	(4,674)	(3,907)	–	–
Revenue to external customers and segment results	488,048	368,321	30,572	16,663
Net gain on disposal of property, plant and equipment			94	–
Net fair value gain on financial asset at FVTPL			17,121	7,982
Fair value loss on derivative financial instruments			–	(696)
Realised gain on disposal of financial asset at FVTPL			581	212
Equity-settled share-based payment expenses			–	(2,582)
Depreciation of property, plant and equipment			(9,919)	(8,127)
Depreciation of right-of-use assets			(11,958)	(10,788)
Unallocated interest income			3,328	1,671
Unallocated corporate expenses			(17,484)	(14,122)
Finance costs			(1,507)	(2,058)
Profit/(loss) before taxation			10,828	(11,845)

### 3. REVENUE AND SEGMENTAL INFORMATION – continued

#### Segmental information – continued

##### *Segment revenues and results – continued*

Included in the PRC reportable segments are revenue from inter-segments of approximately HK\$4,674,000 (2021: HK\$3,907,000).

The accounting policies of the operating segment are the same as the Group's accounting policies. Segment profit represents the profit 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 gain on financial asset at FVTPL, fair value loss on derivative financial instruments, realised gain on disposal of financial asset at FVTPL, equity-settled share-based payment expenses, interest income and finance costs. This is the measure reported to the chief operating decision maker ("CODM") for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

##### *Segment assets*

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
The USA	8,269	6,615
Hong Kong	386	393
Europe	15,867	9,248
The PRC	26,563	46,522
Philippines	3,746	3,105
Malaysia	47,730	22,924
Singapore	1,104	595
Thailand	9,079	2,111
	<hr/>	<hr/>
Reportable segment total	112,744	91,513
Other countries	4,639	2,013
	<hr/>	<hr/>
	117,383	93,526
Unallocated		
Property, plant and equipment	130,557	128,035
Right-of-use assets	18,243	30,169
Inventories	97,514	69,393
Financial asset at FVTPL	91,397	61,023
Other receivables	3,232	5,132
Loan receivables	59,677	14,097
Bond receivables	20,934	–
Bank balances and cash	85,776	187,724
Deposits and prepayments	4,906	22,112
	<hr/>	<hr/>
Consolidated total assets	<u>629,619</u>	<u>611,211</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, right-of-use assets, financial asset at FVTPL, inventories, other receivables, loan receivables, bond 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\$19,671,000 (2021: HK\$46,462,000) are located in the PRC and approximately HK\$129,129,000 (2021: HK\$111,742,000) are located in Hong Kong based on physical location of assets.

##### *Information about major customers*

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Customer A – The USA	48,943	–*
Customer B – Europe	47,357	37,797
Customer C – Malaysia	92,287	64,926
Customer D – The PRC	57,106	63,899

\* The customers contributed less than 10% of the total revenue of the Group.

##### *Information about major products*

The Group is solely engaged in the manufacture and sale of leadframes, including integrated circuit leadframes, heatsinks, stiffeners and related products. Since the information on revenue from external customers for each product and service is not available, no information related to major products could be disclosed.



#### 4. OTHER INCOME AND OTHER GAINS AND LOSSES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Other income</b>		
Sales of by-products and scrap	5,604	5,162
Bank interest income	24	94
Interest income from loan receivables	2,129	1,577
Interest income from bond receivables	1,175	–
Rental income	1,614	1,128
Government grants ( <i>Note</i> )	–	1,894
Sundry income	1,293	202
	<u>11,839</u>	<u>10,057</u>
<b>Other gains and losses</b>		
Net gain on disposal of property, plant and equipment	94	–
Allowance for expected credit losses (“ECL”) on trade receivables	(7,557)	(1,383)
Allowance for ECL on loan receivables	(7,809)	(5,055)
Allowance for ECL on bond receivables	(241)	–
Allowance for impairment on inventories	(1,531)	–
Reversal of allowance for expected credit losses on other receivables	–	(48)
	<u>(17,044)</u>	<u>(6,486)</u>

*Note:* During the year ended 30 April 2021, the Group recognised government grant of approximately HK\$1,894,000 in respect of COVID-19 related subsidies which is related to Employment Support Scheme provided by the Hong Kong government.

#### 5. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on:		
Lease liabilities	1,210	1,559
Bank borrowings	297	98
Convertible bonds	–	401
	<u>1,507</u>	<u>2,058</u>

## 6. TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
The charge comprises:		
Current tax:		
Over-provision in prior years	–	(20)
PRC Enterprise Income Tax	<u>726</u>	<u>380</u>
	<u><u>726</u></u>	<u><u>360</u></u>

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.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

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.

## 7. PROFIT/(LOSS) FOR THE YEAR

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Directors' emolument	2,899	2,780
Salaries and allowances of other staffs	112,996	99,157
Contributions to retirement benefit scheme contributions of other staffs	10,135	3,642
	<u>126,030</u>	<u>105,579</u>
Repair and maintenance expenses*	33,210	28,474
Electricity and water charges, and fuel expenses*	26,842	23,690
Auditors' remuneration	600	870
Expenses relating to short-term leases	641	653
Depreciation of property, plant and equipment	9,919	8,127
Depreciation of right-of-use assets	11,958	10,788
Net foreign exchange loss	473	9,767
Equity-settled share-based payment expense	–	2,582

\* Included in other expenses

## 8. DIVIDEND

No dividend was paid or proposed during the year ended 30 April 2022 (2021: Nil). The directors of the Company do not recommend the payment of a dividend for the year ended 30 April 2022 (2021: Nil).

## 9. EARNING/(LOSS) PER SHARE

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit/(loss) for the year attributable to the owners of the Company for the purposes of basic and diluted loss per share	<u>10,102</u>	<u>(12,205)</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	215,160,402	188,022,110
Effect of dilutive potential ordinary shares arising from share options issued by the Company	<u>36,720,000</u>	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings/(loss) per share	<u>251,880,402</u>	<u>188,022,110</u>

For the year ended 30 April 2022, there is anti-dilutive effect on the Company's 15,225,832 number of share option, and therefore not included in calculation of the diluted earning per share.

For the year ended 30 April 2021, the effect of the Company's share option and convertible bonds was anti-dilutive and was therefore not included in the calculation of the diluted loss per share.

#### 10. TRADE AND OTHER RECEIVABLES

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	<b>127,256</b>	95,842
Less: Allowance for ECL	<b>(9,873)</b>	(2,316)
	<b>117,383</b>	93,526
Other receivables	<b>3,280</b>	5,180
Less: Allowance for ECL	<b>(48)</b>	(48)
	<b>120,615</b>	98,658

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 ECL presented based on the invoice date at the end of the reporting period:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	<b>45,298</b>	39,357
Between 31 and 60 days	<b>40,134</b>	33,845
Between 61 and 90 days	<b>19,097</b>	7,897
Over 90 days	<b>12,854</b>	12,427
	<b>117,383</b>	93,526

## 11. LOAN RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Fixed-rate loan receivables	74,462	21,073
Less: Allowance for ECL	<u>(14,785)</u>	<u>(6,976)</u>
	<u><b>59,677</b></u>	<u><b>14,097</b></u>

The loan receivables were repaid in accordance with the terms of the loan agreements and all loan receivables are recoverable within one year. As at 30 April 2022, none of the loan receivables were past due (2021: HK\$Nil).

## 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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables		
Within 30 days	12,441	14,578
Between 31 and 60 days	11,629	9,969
Between 61 and 90 days	3,207	4,769
Over 90 days	<u>9,585</u>	<u>6,839</u>
	36,862	36,155
Other payables	<u>6,520</u>	<u>–</u>
	<u><b>43,382</b></u>	<u><b>36,155</b></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\$488.05 million, representing an increase of 32.51% as compared with HK\$368.32 million for the previous year. The Group's consolidated profit for the year amounted to HK\$10.10 million as compared with a consolidated loss of HK\$12.21 million for the previous year. Basic and diluted earning per share was HK4.70 cents and HK4.01 cents respectively (2021: Loss of HK6.49 cents and HK6.49 cents respectively). Recurring EBITDA, computed as profit before tax excluding net fair value profit on financial asset at FVTPL, realised gain on disposal of financial asset at FVTPL, depreciation and finance cost, amounted to a EBITDA of HK\$16.51 million (2021: Recurring EBITDA, computed as loss before tax excluding net fair value loss on financial asset at FVTPL, fair value loss on derivative financial instruments, realised gain on disposal of financial asset at FVTPL, depreciation and finance cost, amounted to a EBITDA of HK\$1.63 million).

### Dividend

The Directors do not recommend the payment of a dividend for the year (2021: nil).

### Business Review

During the year under review, the Group faced many challenges in the tough business environment and recorded an increase in turnover by 32.51% to HK\$488.05 million (2021: HK\$368.32 million) during the year.

During the year, staff costs increased by 19.37% to HK\$126.03 million (2021: HK\$105.58 million) representing 25.82% (2021: 28.67%) of the Group's turnover. Other expenses, mainly included factory operating costs, and selling and administrative expenses, such as repair and maintenance expenses of HK\$33.21 million (2021: HK\$28.47 million), electricity and water charges, and fuel expenses of HK\$26.84 million (2021: HK\$23.69 million), transportation expenses of HK\$1.75 million (2021: HK\$3.27 million), advertising and promotion expenses of HK\$3.01 million (2021: HK\$3.03 million), business entertainment expenses of HK\$3.04 million (2021: HK\$7.43 million), and legal and professional fee of HK\$3.4 million (2021: HK\$3.0 million), decreased by 8.46% to HK\$83.19 million (2021: HK\$90.87 million) representing 17.04% (2021: 24.67%) 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 potential impact of increasing factory operating costs, and selling and administrative expenses.

Besides, the financial results of the Group during the year under review were also affected by the net fair value gain on financial asset at FVTPL of HK\$17.12 million. The net fair value gain on financial asset at FVTPL mainly comprised of the fair value gain on investment in listed equity securities of SunCorp Technologies Limited (“STL”) (approximately HK\$14.24 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 2022, 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 2022		As at 30 April 2021
	Fair value	Approximately percentage to the total asset	Fair value
	<i>HK\$’000</i>		<i>HK\$’000</i>
<b>Financial asset at FVTPL</b>			
<b>Listed equity securities</b>			
WLS Holdings Limited (“WLS”)	29,258	4.7%	24,806
STL	18,276	2.9%	–
Harbour Digital Asset Capital Limited (“HDA”)	7,885	1.3%	2,898
China Investment and Finance Group Limited (“CIF”)	7,104	1.1%	4,845
Luxxu Group Limited (“LGL”)	6,445	1.0%	–
<b>Other listed equity securities (Note 1)</b>	22,429	3.5%	28,474
<b>Total</b>	91,397	14.5%	61,023

*Note:*

1. As at 30 April 2022, other listed equity securities comprised 15 listed equity securities and none of them was more than 1% of the total assets of the Group.

WLS, STL, HDA, CIF and LGL 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 and other services for construction and buildings work, provision of gondolas, parapet railings and access equipment installation and maintenance services, money lending business, securities investment business and assets management business. The major activities of STL are engaged in sales of telephones and related products, processing and trading of used computer-related components, provision of securities brokerage, placing and underwriting services, money lending service and B2B cross-border e-commerce. The major activities of HDA are engaged in listed investments in Hong Kong, main stock markets around the world, and also in unlisted companies. The major activities of CIF are trading of securities and investment holding. The major activities of LGL are engaged in the manufacture and sales of own-branded watches and jewellery, including but not limited to diamond watches, tourbillon watches and luxury jewellery accessories, OEM watches and third-party watches.

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.

### **Capital Structure, Liquidity and Financial Resources**

The Group generally financed its operations by internal cash resources and bank financing. Except for convertible bonds in the principal amount of HK\$9,400,000 was converted into 37,600,000 shares of the Company on 11 August 2021, there has been no material change in the capital structure of the Group since 30 April 2021.

As at 30 April 2022, the Group’s bank balances and cash amounted to HK\$85.78 million (2021: HK\$187.72 million). To finance its working capital, the Group has incurred total outstanding debts of HK\$113.58 million as at 30 April 2022 (2021: HK\$124.59 million), which comprised HK\$38.37 million (2021: HK\$39.88 million) of collateralised bank borrowings, HK\$20.19 million (2021: HK\$33.18 million) of lease liabilities, HK\$55.02 million (2021: HK\$43.46 million) of amount due to a director and HK\$Nil of convertible bond (2021: HK\$8.07 million). In terms of interest costs, included in the outstanding debts, HK\$58.56 million (2021: HK\$73.06 million) was interest bearing and HK\$55.02 million (2021: HK\$51.53 million) was interest free.

The gearing ratio was 27.6% as at 30 April 2022 (2021: 31.8%).

### **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 2022 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 2022, leasehold properties with a carrying amount of approximately HK\$101.49 million (2021: HK\$105.16 million) were pledged to secure bank borrowings granted to the Group. As at 30 April 2022, motor vehicles with a carrying amount of approximately HK\$1,447,000 (2021: HK\$1,499,000) were assets held under lease liabilities.

## **Capital Expenditure**

During the year ended 30 April 2022, the Group invested HK\$20.90 million (2021: HK\$7.89 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 2022, the total number of employees of the Group was approximately 1,049 (2021: 937). 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 (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.

During the year ended 30 April 2022, 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.

### **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 Tung Lok is not subject to retirement by rotation. In order to comply with Code provision A.4.2, Mr. Li Tung Lok 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 28 October 2021, Mr. Li Tung Lok voluntarily retired from office and be re-elected as an executive Director.

### **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 and evolving coronavirus (COVID-19) situation, 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. Liu Rongrui were unable to attend the annual general meeting of the Company held on 28 October 2021. 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 annual 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 30 April 2022, 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 audited consolidated results of the Group for the year ended 30 April 2022 has been reviewed by the Audit Committee.

#### **SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED**

The figures in respect of the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 April 2022 of the Group as set out in the announcement have been agreed by the Company's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by McMillan Woods (Hong Kong) CPA Limited on the announcement.

#### **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](http://www.qpl.com)) and the Stock Exchange. The Company's annual report for the year ended 30 April 2022 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 2022

*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. Lai Sau Him 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.*