QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

ANNUAL RESULTS
FOR THE YEAR ENDED 30 APRIL 2017

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 2017 together with the comparative figures for the year ended 30 April 2016 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2017

	NOTES	**2017** **HK$'000**	2016 *HK$'000*
Turnover	*3*	**280,719**	287,021
Changes in inventories of finished goods and work in progress		**3,049**	(445)
Raw materials and consumables used		**(134,635)**	(132,361)
Other income	*4*	**6,368**	5,530
Exchange gain, net		**2,632**	2,292
Net fair value (loss) gain on financial asset at fair value through profit or loss ("FVTPL")		**(59,379)**	52,031
Net fair value loss on derivative financial instrument		**–**	(153)
Other gains and losses	*4*	**–**	262
Staff costs		**(82,085)**	(94,397)
Depreciation of property, plant and equipment		**(1,986)**	(4,623)
Impairment loss on property, plant and equipment		**–**	(23,100)
Other expenses		**(76,005)**	(92,012)
Finance cost		**(1,122)**	(1,099)
Loss before taxation		**(62,444)**	(1,054)
Taxation	*5*	**7,294**	(9,937)
Loss for the year	*6*	**(55,150)**	(10,991)
Other comprehensive expense for the year:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**(50)**	(15)
Total comprehensive expense for the year		**(55,200)**	(11,006)
Loss per share	*8*		
Basic and diluted		**(HK2.44 cents)**	(HK2.99 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 APRIL 2017

	NOTES	2017 HK$'000	2016 HK$'000
Non-current asset			
Property, plant and equipment		**27,843**	17,516
Current assets			
Inventories		**41,503**	31,930
Trade and other receivables	*10*	**59,335**	70,192
Deposits and prepayments		**5,370**	6,014
Financial asset at FVTPL	*9*	**247,908**	84,214
Loan receivables	*13*	**80,620**	–
Bank balances and cash		**322,761**	641,668
		757,497	834,018
Current liabilities			
Trade and other payables	*11*	**34,463**	32,585
Deposits and accrued expenses		**21,710**	22,188
Taxation payable		**833**	777
Bank and other borrowings	*12*	**33,233**	37,303
Obligations under finance leases		**491**	282
		90,730	93,135
Net current assets		**666,767**	740,883
		694,610	758,399
Capital and reserves			
Share capital		**180,501**	180,501
Share premium and reserves		**513,145**	568,345
Equity attributable to owners of the Company		**693,646**	748,846
Non-current liabilities			
Obligations under finance leases		**964**	967
Deferred taxation		**–**	8,586
		964	9,553
		694,610	758,399

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 Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants
Amendments to HKFRSs	Annual improvements to HKFRSs 2012-2014 cycle

Except as described below, the application of the amendments to HKFRSs in 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 in the consolidated financial statements.

Amendments to HKAS 1 "Disclosure initiative"

The Group has applied the amendments to Hong Kong Accounting Standard ("HKAS") 1 "Disclosure initiative" for the first time in the current year.

The amendments to HKAS 1 clarify that an entity need not provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

The Group has applied these amendments retrospectively. Hence, the grouping and ordering of certain notes has been revised to give prominence to the areas of the Group's activities that management considers to be most relevant to an understanding of the Group's financial performance and financial position. Other than the above presentation changes, the application of the amendments to HKAS 1 has not resulted in any impact on the financial performance or financial position of the Group in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

New and amendments to HKFRSs in issue but not effective

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

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers and the related amendments[1]
HKFRS 16	Leases[2]
HK(IFRIC)-Int 22	Foreign currency transactions and advance consideration[1]
HK(IFRIC)-Int 23	Uncertainty over income tax treatments[2]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKAS 7	Disclosure initiative[4]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[4]
Amendments to HKAS 40	Transfers of investment property[1]
Amendments to HKFRSs	Annual improvements to HKFRSs 2014-2016 cycle except for amendments to HKFRS 12[1]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after a date to be determined
4 Effective for annual periods beginning on or after 1 January 2017

HKFRS 9 "Financial Instruments"

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge amounting and impairment requirements for financial assets.

Key requirement of HKFRS 9 which is relevant to the Group is:

All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

HKFRS 9 "Financial Instruments" – continued

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 "Financial instruments: Recognition and measurement". The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The management of the Group has reviewed the Group's financial assets as at 30 April 2017 and anticipates that the application of the expected credit loss model of HKFRS 9 in the future will result in early provision of credit losses which are not yet incurred in relation to the Group's financial assets and is not likely to have other material impact on the results and financial position of the Group based on an analysis of the Group's existing business model.

The above assessments were made based on an analysis of the Group's financial assets and financial liabilities as at 30 April 2017 on the basis of the facts and circumstances that existed at that date. As facts and circumstances may change during the period leading up to the initial date of application of HKFRS 9, which is expected to be 1 May 2018 as the Group does not intend to early apply the standard, the assessment of the potential impact is subject to change.

HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

2. APPLICATION OF NEW AND REVISED HKFRSs – continued

HKFRS 15 "Revenue from Contracts with Customers" – continued

The directors are in the process of assessing the potential impacts of HKFRS 15 in respect of the Group's contracts with customers, in particular, the impact on the amounts reported in respect of the Group's manufacturing activities that are currently recognised at a point in time. Under HKFRS 15, revenue should be recognised over time if the entity's performance does not create an asset with an alternative use and the entity has an enforceable right to payment for the performance completed up to date. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review. In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents operating lease payments as operating cash flows. Upon application of the HKFRS 16 by the Group, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

In contrast to lessee accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 30 April 2017, the Group has non-cancellable operating lease commitments of approximately HK$76,440,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors of the Company complete a detailed review.

Except as described above, the directors of the Company anticipate that the application of other new and revised HKFRSs and the new interpretation will have no material impact on the Group's consolidated financial statements.

3. TURNOVER AND SEGMENTAL INFORMATION

Turnover

Turnover represents the amounts received and receivable for goods sold by the Group to external 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 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.

Segment revenues and results

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

	Turnover		**Segment results**	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The USA	**45,630**	60,048	**290**	(2,149)
Hong Kong	**4,248**	2,286	**27**	(83)
Europe	**3,637**	3,301	**23**	(109)
The PRC	**101,279**	99,122	**646**	(3,211)
Philippines	**31,015**	49,298	**198**	(1,644)
Malaysia	**35,963**	21,322	**229**	(705)
Singapore	**14,877**	9,419	**95**	(311)
Thailand	**26,906**	27,453	**171**	(907)
Reportable segment total	**263,555**	272,249	**1,679**	(9,119)
Other countries	**23,562**	21,172	**201**	(1,007)
	287,117	293,421	**1,880**	(10,126)
Eliminations	**(6,398)**	(6,400)	**–**	–
Group's turnover and segment results	**280,719**	287,021	**1,880**	(10,126)
Depreciation of property, plant and equipment			**(1,986)**	(4,623)
Net gain on disposal of property, plant and equipment			**–**	262
Net fair value loss on derivative financial instrument			**–**	(153)
Net fair value (loss) gain on financial asset at FVTPL			**(59,379)**	52,031
Impairment loss of property, plant and equipment			**–**	(23,100)
Equity-settled share-based payment expenses			**–**	(8,158)
Unallocated interest income			**1,439**	6
Unallocated corporate expenses			**(3,276)**	(6,094)
Interest on bank and other borrowings			**(1,122)**	(1,099)
Loss before taxation			**(62,444)**	(1,054)

3. TURNOVER AND SEGMENTAL INFORMATION – continued

Segmental information – continued

Segment revenues and results – continued

Included in the USA and PRC reportable segments are revenue from inter-segments of HK$6,328,000 (2016: HK$5,571,000) and HK$70,000 (2016: HK$829,000) respectively.

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 loss on derivative financial instrument, net fair value (loss) gain on financial asset at FVTPL, impairment loss of property, plant and equipment, equity-settled share-based payment expenses, interest income on bank deposits/ loan receivables and finance costs. 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.

Segment assets

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

Segment asset

	2017	2016
	HK$'000	*HK$'000*
The USA	**10,534**	11,056
Hong Kong	**490**	175
Europe	**23**	874
The PRC	**23,920**	27,776
Philippines	**4,942**	8,568
Malaysia	**4,882**	2,467
Singapore	**2,937**	1,299
Thailand	**3,312**	5,225
Reportable segment total	**51,040**	57,440
Other countries	**4,012**	3,936
	55,052	61,376
Unallocated		
Property, plant and equipment	**27,843**	17,516
Inventories	**41,503**	31,930
Financial asset at FVTPL	**247,908**	84,214
Other receivables	**4,283**	8,816
Loan receivables	**80,620**	–
Bank balances and cash	**322,761**	641,668
Deposits and prepayments	**5,370**	6,014
Consolidated total assets	**785,340**	851,534

3. TURNOVER 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 resource allocation and performance assessment.

Geographical information by location of assets

The Group's non-current assets of HK$27,843,000 (2016: HK$17,516,000) are located in the PRC based on physical location of assets.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	2017	2016
	HK$'000	*HK$'000*
Other income		
Sales of by-products and scrap	**4,874**	5,510
Bank interest income	**819**	6
Interest income from loan receivables	**620**	–
Sundry income	**55**	14
	6,368	5,530
Other gains and losses		
Net gain on disposal of property, plant and equipment	**–**	262
	–	262

5. TAXATION

	2017	2016
	HK$'000	*HK$'000*
The (credit) charge comprises:		
Current tax:		
PRC Enterprise Income Tax	**1,292**	1,352
Deferred tax	**(8,586)**	8,585
	(7,294)	9,937

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year.

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:

	2017	2016
	HK$'000	*HK$'000*
Staff costs *(Note (i))*		
Directors' emolument	**2,570**	10,302
Salaries and allowances of other staff	**74,109**	85,607
Contributions to retirement benefit scheme contributions of other staff	**5,406**	6,646
	82,085	102,555
Repair and maintenance expenses	**13,265**	13,405
Allowance for inventories (included in raw materials and consumables used)	**423**	386
Auditor' s remuneration	**1,180**	1,100
Interest on obligation under finance lease	**42**	16
Interest on borrowings	**1,080**	1,083
Operating lease rentals in respect of premises	**10,862**	11,388

Note:

(i) Directors' emoluments and the equity-settled share-based payment expenses are included in the above staff costs.

7. DIVIDEND

No dividend was paid or proposed during the year ended 30 April 2017 (2016: nil). The directors of the Company do not recommend the payment of a dividend for the year ended 30 April 2017 (2016: 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:

	2017	2016
	HK$'000	*HK$'000*
Loss for the year attributable to the owners of the Company for the purposes of basic and diluted loss per share	**(55,150)**	(10,991)

	2017	2016
Weighted average number of ordinary shares for the purposes of calculating basic and diluted loss per share	**2,256,265,322**	367,901,031

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.

The weighted average number of ordinary shares for the purpose of basic and diluted loss per share for the year ended 30 April 2016 has been adjusted for share consolidation on 29 February 2016 and open offer on 6 April 2016.

9. FINANCIAL ASSET AT FVTPL

	2017	2016
	HK$'000	*HK$'000*
Listed equity securities *(note a)*	**217,542**	84,214
Unlisted equity securities *(note b)*	**30,366**	–
	247,908	84,214

9. FINANCIAL ASSET AT FVTPL – continued

Notes:

(a) These investments represent equity securities listed in Hong Kong and are classified as held for trading investment.

(b) In September 2016, Henghua Global Fund SPC, an exempted company incorporated with limited liability under the laws of the Cayman Islands (the "Fund Entity") created a segregate portfolio, Henghua Global New Opportunity Fund SP (the "Fund"). In October 2016, the Group had subscribed 40,000 class R shares of the Fund.

The Fund has two classes of shares, i.e. class P and class R. Class P share has a priority over class R share, whereas class R share could only be redeemed by the holder of class R share with the following conditions: 1) if the fair value of the net asset per class R share will not be lower than the fair value of the net asset per class P share; and 2) after the lock-up period, which is equal to a period of 12 months commencing on the issue of such class R share, i.e. October 2017.

As at 30 April 2017, 40,000 class R shares of the Fund held by the Group represented 100% of the total outstanding issued shares of the Fund and 0.1% of the authorised share capital of the Fund Entity. The Fund mainly holds equity securities listed in Hong Kong. The directors of the Company expected that the Group's investment in the Fund will be recovered within one year from the end of the reporting period.

10. TRADE AND OTHER RECEIVABLES

Trade and Other Receivables

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**55,145**	61,469
Less: Allowance for bad and doubtful debts	**(93)**	(93)
	55,052	61,376
Other receivables	**4,283**	8,816
	59,335	70,192

10. TRADE AND OTHER RECEIVABLES – continued

Trade and Other Receivables – continued

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:

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**17,736**	23,076
Between 31 and 60 days	**22,956**	22,499
Between 61 and 90 days	**12,744**	8,776
Over 90 days	**1,616**	7,025
	55,052	61,376

Before accepting any new customer, the Group will apply an internal credit assessment policy to assess the potential customer's credit quality and define credit limits by customer. Management closely monitors the credit quality of trade receivables. Included in the Group's trade receivable balance are debtors with aggregate carrying amount of HK$17,612,000 (2016: HK$20,425,000) which are past due at the reporting date for which the Group has not provided for impairment loss, as there are no significant changes in credit quality of these debtors and the amounts are still considered recoverable based on historical payment experience or such balances were subsequently settled by debtors. For trade receivables that were neither past due nor impaired, there is no significant changes in credit quality and no recent history of default. The Group does not hold any collateral or credit enhancements over all trade receivables.

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:

	2017	2016
	HK$'000	*HK$'000*
Trade payables		
Within 30 days	**9,528**	7,834
Between 31 and 60 days	**4,861**	4,291
Between 61 and 90 days	**3,384**	2,467
Over 90 days	**9,529**	8,974
	27,302	23,566
Other payables	**7,161**	9,019
	34,463	32,585

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

12. BANK AND OTHER BORROWINGS

	2017	2016
	HK$'000	*HK$'000*
Collateralised bank borrowings *(Note a)*	**33,158**	37,228
Borrowing from a director *(Note b)*	**75**	75
	33,233	37,303
Carrying amount shown under current liabilities:		
Repayable on demand or within one year	**33,233**	37,303

Notes:

(a) The collateralised bank borrowings are 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 are repayable within one year but contain a repayable on demand clause.

(b) The borrowing was advanced from Mr. Li, a director and a shareholder of the Company and was interest-free and unsecured. The whole amount of approximately HK$75,000 (2016: HK$75,000) denominated in RMB, the foreign currency of respective group entity.

13. LOAN RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Fixed-rate loan receivables	**80,620**	–

On 29 March 2017, Quality Capital Limited ("Quality Capital"), a wholly-owned subsidiary of the Company, entered into the loan agreement with GEO Finance Limited ("GEO Finance"), an independent third party to the Group, pursuant to which Quality Capital has agreed to make available to GEO Finance a loan facility of up to HK$200,000,000, bearing interest at a rate of 13% per annum (the "Loan Facility").

GEO Finance would use the proceeds from any drawdown of the Loan Facility to solely finance its loans provided to third party borrowers (the "GEO Loans") and Quality Capital would participate in such GEO Loans without recourse to GEO Finance. Accordingly, for accounting purpose GEO Finance is considered as an agent of Quality Capital in this arrangement.

Details of the arrangement are set out in the Company's announcement dated 29 March 2017.

In April 2017, GEO Finance had drawdown three loans with an aggregate principal amount of HK$80,000,000 under the Loan Facility and had then on lent to three independent individual borrowers as GEO Loans, with collaterals pledged by the relevant borrowers. Such loan receivable of the Group and GEO Loans are repayable in January 2018.

As at 30 April 2017, the outstanding principal amount of loan receivables from GEO Finance was HK$80,000,000.

On 19 May 2017, the directors of the Company announced that the Company and GEO Finance had mutually agreed to terminate the Loan Facility and the principal amount of the loan receivable of HK$80,000,000 and the GEO loans will continue to be repaid in accordance with the repayment schedule as agreed with the individual borrowers. In July 2017, the independent individual borrowers have also re-negotiated with GEO Finance to early repay the GEO Loans and a repayment schedule for each of the GEO Loans has been signed up. The loan receivables and GEO Loans are then repaid by installments and will be repaid in full by December 2017.

14. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets and liabilities.

(i) Fair value of the Group's financial asset and liability that is measured at fair value on a recurring basis

The Group's financial asset and financial liability at FVTPL is measured at fair value at the end of each reporting period. The following table gives information about how the fair value of the financial instrument is determined.

Financial instruments	Fair value 2017	2016	Fair value hierarchy	Valuation techniques and key inputs
Financial asset at FVTPL – equity securities listed in Hong Kong	HK$217,542,000	HK$84,214,000	Level 1	Quoted bid prices in an active market
Financial asset at FVTPL – unlisted equity securities in an equity fund	HK$30,366,000	N/A	Level 2	Calculated based on quoted bid prices of the equity securities listed in Hong Kong as which the fund invested

There was no transfer between instrument in Level 1 and 2 in both years.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cashflow analysis.

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities carried at amortised cost approximate their respective fair values.

15. EVENTS AFTER THE END OF THE REPORTING PERIOD

Other than as disclosed elsewhere in the consolidated financial statements, the Group has the following events subsequent to end of the reporting period:

Disposal of financial asset at FVTPL

After the end of the reporting period and up to the date of this announcement, the Group has disposed of certain listed equity securities (which was classified as financial asset at FVTPL as at 30 April 2017), held by a wholly owned subsidiary of the Company, on the open market and resulted in fair value loss on such financial asset at FVTPL with an aggregate amount of approximately HK$119,443,000 which will be charged to the profit or loss of the Group for the year ending 30 April 2018.

Acquisition of properties

As disclosed in the announcement of the Company dated 15 July 2017, Excellence Strive Holdings Limited, a wholly-owned subsidiary of the Company incorporated after the year ended 30 April 2017, entered into a provisional sale and purchase agreement with an independent third party, relating to the acquisition of two office premises at a cash consideration of HK$111,008,000. The transaction has not yet completed up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the fiscal year under review, the Group reported a turnover of HK$280.72 million, representing a slightly decrease of 2.2% as compared with HK$287.02 million for the previous year. The Group's consolidated loss for the year amounted to HK$55.15 million as compared with a consolidated loss of HK$10.99 million for the previous year. Basic loss per share was HK2.44 cents (2016: loss per share of HK2.99 cents). Recurring EBITDA, computed as loss before tax excluding depreciation, finance costs and net fair value loss on financial asset at fair value through profit or loss, amounted to a EBITDA of HK$43,000 (2016: Recurring LBITDA, computed as loss before tax excluding depreciation, financial costs, net fair value gain on financial asset at far value through profit or loss, net fair value loss on derivative financial instrument and impairment loss on property, plant and equipment, amounted to HK$24.11 million).

Dividend

The Directors do not recommend the payment of a dividend for the year (2016: nil).

Business Review

During the year under review, the Group's business maintained stable and the Group recorded a slightly decrease in turnover of 2.2% to HK$280.72 million (2016: HK$287.02 million) during the year.

During the year, staff costs decreased by 13.0% to HK$82.09 million (2016: HK$94.40 million) representing 29.2% of the Group's turnover. Other expenses decreased by 17.4% to HK$76.01 million (2016: HK$92.01 million) representing 27.1% 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 affected by net fair value loss on financial asset at FVTPL of approximately HK$59.38 million (2016: net fair value gain of HK$52.03 million) during the year under review. The net fair value loss on financial asset at FVTPL mainly comprised of the fair value loss on investment in (i) listed equity securities of Lerado Financial Group Company Limited (approximately HK$10.70 million), Major Holdings Limited (approximately HK$16.34 million) and L & A International Holdings Limited (approximately HK$8.97 million) and (ii) unlisted equity securities of the Fund (approximately HK$9.63 million).

Prospects

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 will undertake various actions to develop its existing manufacturing business, in particular, (i) installing more advanced environmental protection facilities at the existing factory to fulfill the regulatory framework from the Ministry of the Environmental Protection of the PRC, (ii) acquiring various raw materials such as chemicals, copper and silver, as inventories for the manufacture of integrated circuit lead-frames, heatsinks, stiffeners and related products, (iii) expanding its production sites by acquiring or/and leasing new factory and land in the PRC, and (iv) acquiring machinery and equipment which constitute the part of the manufacturing process, and replenishing the factories and premises.

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 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.

Use of Proceeds from Open Offer and Placing of New Shares Under A Specific Mandate

The Company raised net proceeds of approximately HK$636.83 million (the "Total Proceeds") by way of an open offer to issue 1,151,054,435 offer shares on 6 April 2016 and a placing of 875,000,000 new shares on 7 April 2016 (the "Fundraising"). The Company originally intended to apply the Total Proceeds for expanding the principal business of the Company by acquisition of land for the construction of a new factory, purchase of new machinery for the new factory and construction of a new factory (the "Initial Expansion Plan").

Having considered the delay in acquisition of land, on 14 September 2016, the Company changed the use of part of the Total Proceeds of approximately HK$226.83 million to future possible short-term investment opportunities as identified by the Company and then applied it for acquisition of Hong Kong listed equities and subscription of an investment fund (the "Securities Investment"). The Company attempted to explore land located in Guangdong province or other places in the Southern China after September 2016 but still no concrete terms were established nor had any legal binding agreements been reached with any potential vendors of land for the construction of new factory. The Board was of the views that the expansion plan by building a new factory to replace its existing factory could not be implemented as intended and terminated the Initial Expansion Plan. On 29 March 2017, the Board changed the proposed use of the remaining part of the Total Proceed to as to i) approximately HK$200 million for making loan facility to a licensed money lender to earn interest income to the Company ("Provision of Loan Facility"), and, as to ii) approximately HK$210 million for expanding its manufacture and sale of integrated circuit lead-frames, heatsinks, stiffeners and related products, and/or for general working capital, and/or for future possible investment opportunities in relation to the principal business of the Company.

As at 30 April 2017, HK$226.83 million of the Total Proceed were utilized for Securities Investment, HK$80 million of the Total Proceed were utilized for Provision of Loan Facility, approximately HK$10 million of the Total Proceed were utilized for the principal business and the remaining approximately HK$320 million were placed with banks and securities houses.

After the year ended 30 April 2017, the Company changed the use of the Total Proceeds (the "Change"). Details of the Changes are disclosed in the "Cash Company concern" section of this announcement.

Cash Company concern

On 12 May 2017, the Company received a letter from The Stock Exchange of Hong Kong Limited (the "Stock Exchange") that it appears to the Stock Exchange that: i) the scale of the Fundraising was large and had a material dilution impact to the then shareholders; ii) the Company's assets have been consisted substantially of cash and cash equivalent since after the Fundraising; iii) Both the Securities Investment and the Provision of Loan Facility (the ''New Businesses") is/would be greenfield operations of new business of the Company; and iv) it is likely that the New Businesses would be larger than the Company's existing manufacturing business. The Stock Exchange was minded to determine the Company has become a cash company and trading in its securities will be suspended under Rule 14.82 of the Listing Rules.

It is the Company's intention to take appropriate actions to warrant its listing status. On 19 May 2017, the Company terminated the Provision of Loan Facility and proposed to make a distribution of approximately HK$300 million to the Shareholders (the "Distribution") as a reward for their continuing support, and undertook various actions to develop its existing manufacturing business of approximately HK$272 million (the "Immediate Expansion Plans"). The Distribution and the Immediate Expansion Plans could be funded through the cash available after the termination of the Provision of Loan Facility and by liquidating the Securities Investments, if necessary. The Company expects upon the implementation of the above plans should eliminate the Stock Exchange's concern that the Company will became a cash company.

The Distribution is conditional upon, inter alia, the passing of a special resolution by the shareholders of the Company to approve the reduction of share premium at the special general meeting held on 14 July 2017. Since the special resolution to approve the reduction of share premium was not passed and the condition of the Distribution was not fulfilled, no Distribution will be made accordingly.

On 15 July 2017, the Company resolved to change approximately HK$120 million from the proceed of the Distribution for the acquisition of two properties as office premises for the reasons of coping with its future expansion of the Group's business and also resolving the cash company issue.

Significant Investments

The Company considers that the significant investments are shown as following:

Listed equity securities	For the year ended 30 April 2017	At 30 April 2017			At 30 April 2016
	Fair value gain/(loss)	Number of shares held	Fair value	Approximately percentage to the total asset	Fair value
	HK$'000	*'000*	*HK$'000*		*HK$'000*
GreaterChina Professional Services Limited ("GPS")	(3,300)	110,000	64,900	8.3%	68,200
Luen Wong Group Holdings Limited ("LW")	2,729	2,190	42,705	5.4%	–
Major Holdings Limited ("MH")	(16,343)	20,000	23,800	3.0%	–
China Jicheng Holdings Limited ("CJ")	(1,519)	72,410	13,903	1.8%	–
China Investment and Finance Group Limited ("CIF")	(2,096)	48,010	12,723	1.6%	–
	(20,529)		158,031	20.1%	68,200
Unlisted equity securities					
Henghua Global New Opportunity Fund SP (the "Fund")	(9,634)		30,366	3.8%	–
Total	(30,163)		188,397	23.9%	68,200

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 major activities of LW are provision of civil engineering works and investment holding. The major activities of MH are the sale and distribution of premium wine and spirits products and wine accessory products in Hong Kong. The major activities of CJ are manufacturing and sale of POE umbrellas and nylon umbrellas and umbrella parts such as plastic cloth and shaft to its customers. The major activities of CIF are securities trading and investment holding. 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.

After the year ended 30 April 2017 and up to the date of this announcement, the Group disposed 80.80 million shares of GPS, all its investment in MH, LW, CJ and two other listed equity securities on the open market and resulted in fair value loss on financial asset at FVTPL with an aggregate amount of approximately HK$119.44 million, which will be charged to the profit or loss of the Group for the year ending 30 April 2018.

The Directors considered that the future prospects of the significant investments may be affected by external market conditions, and will continue to monitor and assess the Group's investment.

Liquidity and Financial Resources

The Group's bank balances and cash amounted to HK$322.76 million (2016: HK$641.67 million). The Group also deposited HK$4.28 million (2016: HK$8.82 million) into its securities house account as at 30 April 2017. To finance its working capital, the Group has incurred total outstanding debts of HK$34.69 million as at 30 April 2017 (2016: HK$38.55 million), which comprised HK$1.46 million (2016: HK$1.25 million) of obligations under finance leases, HK$33.16 million (2016: HK$37.23 million) of collateralised bank borrowings, and HK$75,000 (2016: HK$75,000) amount due to a director. In terms of interest costs, included in the outstanding debts, HK$34.61 million (2016: HK$38.48 million) was interest bearing and HK$75,000 (2016: HK$75,000) was interest free.

The gearing ratio was 5.0% as at 30 April 2017 (2016: 5.2%).

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 2017 did not adversely effect the Group's operations or liquidity.

During the year under review, no foreign exchange contract was entered into by the Group. The Group had a foreign exchange contracts to manage the currency exchange risk of Renminbi against US dollars which has been fully matured in October 2015. 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. Net fair value loss on derivative financial instrument was HK$0.15 million for the year ended 30 April 2016.

Pledge of Assets

As at 30 April 2017, trade receivables with a carrying amount of approximately HK$41.60 million (2016: HK$48.65 million) were pledged to secure bank borrowings granted to the Group and motor vehicles with a carrying amount of approximately HK$1.62 million (2016: HK$1.40 million) were assets held under finance leases.

Capital Expenditure

During the year ended 30 April 2017, the Group invested HK$12.31 million (2016: HK$12.20 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 2017, the total number of employees of the Group was approximately 1,130 (2016: 1,175). 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. A copy of the QPL Code is posted on the Company's website (www.qpl.com).

For the year ended 30 April 2017, 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 two independent non-executive Directors, Mr. How Sze Ming and Mr. Lee Kwok Wan were unable to attend the annual general meeting of the Company held on 8 September 2016 and an independent non-executive Director, Ms. Chung Hoi Yan, was unable to attend the general meeting of the Company held on 9 December 2016.

AUDIT COMMITTEE

The Audit Committee was established in April 2000 pursuant to the then Code of Best Practice of the Listing Rules.

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. Yau Chi Hang. 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. The terms of reference of the Audit Committee are posted on the websites of the Company and the Stock Exchange and also available from the Company Secretary on request.

The major roles and functions of the Audit Committee include:

- overseeing the relationship between the Group and its external auditor;
- reviewing the appointment of the external auditor to ensure continuing auditor's independence;
- reviewing the Group's preliminary results, interim results and annual financial statements;
- monitor the corporate governance of the Group including compliance with statutory and the Listing Rules requirements; and
- assisting the Board in fulfilling its responsibilities by providing an independent review and supervision of the Group's financial reporting system, and effectiveness of the Group's risk management and internal control systems.

The annual report for the year ended 30 April 2017 has been reviewed by the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.qpl.com). The Company's annual report for the year ended 30 April 2017 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, 31 July 2017

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. Yau Chi Hang and Mr. Chu Chun On, Franco.