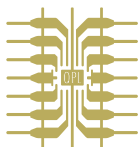


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QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 243)

ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2024

The Board of Directors (the “Board” or “Directors”) of QPL International Holdings Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 30 April 2024 together with the comparative figures for the year ended 30 April 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2024

	<i>NOTES</i>	2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	262,699	312,928
Raw materials and consumables used		(107,683)	(126,181)
Changes in inventories of finished goods and work in progress		1,751	(5,715)
Other income	4	21,879	28,900
Exchange losses, net		(442)	(843)
Net fair value losses on financial assets at fair value through profit or loss (“FVTPL”)		(21,997)	(27,261)
Realised (loss)/gain on disposal of financial assets at FVTPL		(264)	67
Reversal of expected credit losses (“ECL”) on trade receivables		161	5,031
Allowance for ECL on loan receivables		(11,541)	(14,513)
Allowance for ECL on bond receivables		(9,673)	(2,623)
(Allowance for)/reversal of ECL on other receivables and deposits		(68)	2
Other gains	4	115	2,904
Staff costs		(98,864)	(104,812)
Depreciation of property, plant and equipment		(7,910)	(10,041)
Depreciation of right-of-use assets		(5,030)	(11,854)
Other operating expenses		(82,980)	(77,784)
Finance costs	5	(1,453)	(1,784)
Loss before tax		(61,300)	(33,579)
Income tax expense	6	(94)	(740)
Loss for the year attributable to owners of the Company	7	(61,394)	(34,319)
Other comprehensive expense for the year: <i>Item that may be subsequently reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		(1,578)	(1,486)
Total comprehensive expense for the year attributable to owners of the Company		(62,972)	(35,805)
Loss per share	9		
Basic		HK(21.26) cents	HK(13.30) cents
Diluted		HK(21.26) cents	HK(13.30) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 APRIL 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
Non-current assets			
Property, plant and equipment		122,184	126,654
Right-of-use assets		2,849	5,657
		<u>125,033</u>	<u>132,311</u>
Current assets			
Inventories		83,178	87,453
Trade and other receivables	10	69,360	66,358
Deposits and prepayments		7,310	4,210
Financial assets at FVTPL		62,578	80,663
Loan receivables	11	44,050	68,923
Bond receivables		11,238	19,611
Cash and cash equivalents		58,538	70,232
		<u>336,252</u>	<u>397,450</u>
Current liabilities			
Trade and other payables	12	18,110	16,630
Accrued expenses		63,276	64,621
Contract liabilities		2,430	1,573
Tax payable		667	736
Other borrowings		14,022	15,628
Bank borrowings		35,372	36,860
Lease liabilities		877	5,835
		<u>134,754</u>	<u>141,883</u>
Net current assets		<u>201,498</u>	<u>255,567</u>
Total assets less current liabilities		<u>326,531</u>	<u>387,878</u>
Non-current liability			
Lease liabilities		2,068	443
Net assets		<u>324,463</u>	<u>387,435</u>
Capital and reserves			
Share capital		2,887	2,887
Share premium and reserves		321,576	384,548
Total equity attributable to owners of the Company		<u>324,463</u>	<u>387,435</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These 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**”). HKFRSs comprise all individual Hong Kong Financial Reporting Standard (“**HKFRS**”); Hong Kong Accounting Standards (“**HKASs**”); and interpretations issued by the HKICPA. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and with the disclosure requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain new and amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. ADOPTION OF NEW AND AMENDMENTS TO HKFRSs

(a) Application of new and amendments to HKFRSs

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 May 2023 for the preparation of the consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Except as disclosed below, the application of the new and amendments to HKFRSs in the current year had no material impact on the Group’s consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”

The Group has adopted Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies” for the first time in the current year. HKAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies.

2. ADOPTION OF NEW AND AMENDMENTS TO HKFRSs – continued

(b) New and amendments to HKFRSs in issue but not yet effective

The Group has not applied the following new and amendments to HKFRSs that have been issued but are not yet effective for the financial year beginning 1 May 2023.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to HKFRS 16 – Lease Liability in a Sales and Leaseback	1 January 2024
Hong Kong Interpretation 5 (Revised) – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21 – Lack of Exchangeability	1 January 2025
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company anticipate that the application of the above new and amendments to HKFRSs will not have material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue represents the amounts received and receivables for goods sold by the Group to external customers less value added tax or other sales tax, sales returns and trade discounts. All revenue contracts are for period of one year or less, and therefore, 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 within the scope of HKFRS 15.

Segment information

Information reported to the executive directors of the Company, being the chief operating decision maker (the “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 the CODM who comprehensively manages the entire business.

In accordance with the way information is internally reported to the CODM for resources allocation and segment performance based on the location of customers, the Group has identified eight reportable segments on a geographical basis. 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 and 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 SEGMENT INFORMATION – continued

Segment Information – continued

Segment revenues and results

The following is an analysis of the Group's revenue from contracts with customers within the scope of HKFRS 15 and results by reportable segments:

	Revenue		Segment results	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<i>At a point in time</i>				
The USA	8,375	32,487	868	4,015
Hong Kong	620	1,800	64	222
Europe	14,496	33,448	1,502	4,134
The PRC	104,854	78,143	10,864	9,658
Philippines	37,713	26,356	3,908	3,258
Malaysia	78,815	118,473	8,166	14,643
Singapore	4,618	6,288	478	777
Thailand	4,651	6,089	482	753
Reportable segment total	254,142	303,084	26,332	37,460
Other countries	8,557	9,844	887	1,217
Revenue to external customers and segment results	<u>262,699</u>	<u>312,928</u>	<u>27,219</u>	38,677
Net gain on disposal of property, plant and equipment			115	115
Net gain on disposal of right-of-use assets			–	103
Net fair value losses on financial assets at FVTPL			(21,997)	(27,261)
Realised (loss)/gain on disposal of financial assets at FVTPL			(264)	67
Net allowance for ECL on trade receivables, loan receivables, bond receivables, other receivables and deposits			(21,282)	(17,134)
Depreciation of property, plant and equipment			(7,910)	(10,041)
Depreciation of right-of-use assets			(5,030)	(11,854)
Unallocated interest income			8,459	8,433
Unallocated other income			1,751	1,825
Unallocated corporate expenses			(40,908)	(14,725)
Finance costs			(1,453)	(1,784)
Loss before tax			<u>(61,300)</u>	<u>(33,579)</u>

Included in the PRC reportable segment is revenue from inter-segments of approximately HK\$4,324,000 (2023: HK\$4,439,000).

The accounting policies of the operating segment are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of corporate expenses which include staff cost and central administrative costs, depreciation expenses, net gain on disposal of property, plant and equipment, net gain on disposal of right-of-use assets, net fair value losses on financial assets at FVTPL, realised (loss)/gain on disposal of financial assets at FVTPL, net allowance for ECL on loan receivables, bond receivables, other receivables and deposits, interest income and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

3. REVENUE AND SEGMENT INFORMATION – continued

Segment Information – continued

Segment revenues and results – continued

Inter-segment sales are charged at prevailing market rates.

Segment assets

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The USA	2,227	920
Hong Kong	136	266
Europe	2,320	5,684
The PRC	21,899	13,962
Philippines	5,553	8,953
Malaysia	24,735	28,172
Singapore	461	1,480
Thailand	415	644
Reportable segment total	<u>57,746</u>	60,081
Other countries	<u>694</u>	1,090
	58,440	61,171
Unallocated		
Property, plant and equipment	122,184	126,654
Right-of-use assets	2,849	5,657
Inventories	83,178	87,453
Financial assets at FVTPL	62,578	80,663
Other receivables	10,920	5,187
Deposits and prepayments	7,310	4,210
Loan receivables	44,050	68,923
Bond receivables	11,238	19,611
Cash and cash equivalents	<u>58,538</u>	<u>70,232</u>
Consolidated total assets	<u>461,285</u>	<u>529,761</u>

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 assets at FVTPL, inventories, other receivables, loan receivables, bond receivables, deposits and prepayments and cash and cash equivalents.

In measuring the Group's segment assets, inventories of approximately HK\$83,178,000 (2023: HK\$87,453,000) were not allocated to the reporting segments. However, the relevant effect in the profit or loss were included in the measurement of segment results of each reporting segment. In the opinion of the CODM, such asymmetrical allocation is in accordance with the internal management reports for the purposes of resources allocation and performance assessment and it is not feasible to provide the effect of such asymmetrical allocation in accordance with HKFRS 8.

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.

3. REVENUE AND SEGMENT INFORMATION – continued

Segment Information – continued

Geographical information by location of assets

The Group's non-current assets of approximately HK\$27,708,000 (2023: HK\$31,846,000) are located in the PRC and approximately HK\$97,325,000 (2023: HK\$100,465,000) are located in Hong Kong based on physical location of assets.

Information about major customers

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A – Malaysia	67,362	98,212
Customer B – The PRC	44,275	32,604

Information about major products

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

4. OTHER INCOME AND OTHER GAINS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other income		
Sales of by-products and scrap	11,658	16,411
Bank interest income	461	184
Interest income from loan receivables	6,698	6,948
Interest income from bond receivables	1,300	1,300
Government grants (<i>Note</i>)	–	744
Sundry income	1,762	3,313
	<u>21,879</u>	<u>28,900</u>
Other gains		
Net gain on disposal of property, plant and equipment	115	115
Net gain on disposal of right-of-use assets	–	103
Reversal of allowance on inventories	–	2,686
	<u>115</u>	<u>2,904</u>

Note: During the year ended 30 April 2023, the Group recognised government grants of approximately HK\$744,000 in respect of COVID-19 related subsidies which is related to Employment Support Scheme provided by the Hong Kong government. There were no unfulfilled conditions and other contingencies attached to the receipts of these grants.

No government grants have been recognised during the year ended 30 April 2024.

5. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interests on:		
Lease liabilities	152	621
Bank borrowings	<u>1,301</u>	<u>1,163</u>
	<u><u>1,453</u></u>	<u><u>1,784</u></u>

6. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
PRC Enterprise Income Tax (the “EIT”)	<u>94</u>	<u>740</u>

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising from Hong Kong for the both years.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulation of the EIT Law, EIT has been provided at a rate of 25% for both years.

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

7. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging the followings:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Directors’ emoluments	4,330	3,687
Salaries and allowances of other staff	86,475	91,821
Contributions to retirement benefit scheme contributions of other staff	8,059	9,304
	<u>98,864</u>	<u>104,812</u>
Auditor’s remuneration*		
– Audit services	650	600
Expenses relating to short-term leases*	12,160	496
Depreciation of property, plant and equipment	7,910	10,041
Depreciation of right-of-use assets	5,030	11,854
Loss on written-off of loan receivables*	12,358	–
Exchange losses, net	<u>442</u>	<u>843</u>

* *Included in other expenses*

8. DIVIDEND

No dividend was paid or proposed during the year ended 30 April 2024, nor has any dividend been proposed since the end of the reporting period (2023: Nil).

9. 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:

	2024 <i>HK\$'000</i>	2023 <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>(61,394)</u>	<u>(34,319)</u>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>288,746,532</u>	<u>258,130,057</u>

The calculation of diluted loss per share for the years ended 30 April 2024 and 2023 does not assume the exercise of the Company's outstanding share options since their assumed exercise would result into the anti-dilutive effect.

10. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables, gross	63,121	66,013
Less: Allowance for ECL	<u>(4,681)</u>	<u>(4,842)</u>
Trade receivables, net	<u>58,440</u>	<u>61,171</u>
Other receivables, gross	11,032	5,233
Less: Allowance for ECL	<u>(112)</u>	<u>(46)</u>
Other receivables, net	<u>10,920</u>	<u>5,187</u>
Trade and other receivables, net	<u>69,360</u>	<u>66,358</u>

At 30 April 2024 and 2023, the trade receivables were denominated in US\$.

10. TRADE AND OTHER RECEIVABLES – continued

The Group allows a credit period ranging from 30 to 90 days (2023: 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	23,080	20,826
Between 31 and 60 days	22,006	23,505
Between 61 and 90 days	7,036	11,940
Over 90 days	6,318	4,900
	<u>58,440</u>	<u>61,171</u>

11. LOAN RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Fixed-rate loan receivables	80,930	98,221
Less: Allowance for ECL	<u>(36,880)</u>	<u>(29,298)</u>
	<u>44,050</u>	<u>68,923</u>

The loan receivables were repayable in accordance with the terms of the loan agreements and all loan receivables are recoverable within one year (2023: one year). As at 30 April 2024 and 2023, no loan receivables were past due. The effective interest rate of the loan receivables ranged from 8% to 12% (2023: 8% to 12%) as at 30 April 2024.

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables		
Within 30 days	8,143	6,100
Between 31 and 60 days	6,844	3,658
Between 61 and 90 days	2,472	1,993
Over 90 days	651	2,699
	<u>18,110</u>	<u>14,450</u>
Other payables	–	2,180
	<u>18,110</u>	<u>16,630</u>

The credit period on purchases of goods is ranging from 30 to 90 days (2023: 30 to 90 days).

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

The Company acts as an investment holding company. The principal activities of its subsidiaries are the manufacture and sale of integrated circuit leadframes, heatsinks, stiffeners and related products, investment holding and money lending.

For the fiscal year under review, the Group reported a turnover of HK\$262.70 million, representing a decrease of 16.05% as compared with HK\$312.93 million for the previous year. The Group's consolidated loss for the year amounted to HK\$61.39 million as compared with HK\$34.32 million for the previous year. Basic and diluted loss per share was HK21.26 cents and HK21.26 cents respectively (2023: HK13.30 cents and HK13.30 cents respectively). Recurring EBITDA, 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 negative EBITDA of HK\$24.65 million (2023: Recurring EBITDA, 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 EBITDA of HK\$17.29 million).

Dividend

The Directors do not recommend the payment of a dividend for the year (2023: Nil).

Business Review

During the year under review, the Group faced many challenges in the tough business environment and recorded a decrease in turnover by 16.05% to HK\$262.70 million (2023: HK\$312.93 million) during the year.

During the year, staff costs decreased by 5.68% to HK\$98.86 million (2023: HK\$104.81 million) representing 37.63% (2023: 33.49%) of the Group's turnover. Other operating expenses, mainly included factory operating costs, and selling and administrative expenses, such as repair and maintenance expenses of HK\$14.89 million (2023: HK\$19.87 million), electricity and water charges, and fuel expenses of HK\$21.15 million (2023: HK\$22.97 million), transportation expenses of HK\$0.65 million (2023: HK\$0.45 million), advertising and promotion expenses of HK\$2.34 million (2023: HK\$5.02 million), business entertainment expenses of HK\$1.17 million (2023: HK\$1.60 million), legal and professional fee of HK\$2.02 million (2023: HK\$3.65 million), expenses relating to short-term leases of HK\$12.16 million (2023: HK\$0.49 million), and loss on written-off of loan receivables of HK\$12.36 million (2023: Nil), increased by 6.68% to HK\$82.98 million (2023: HK\$77.78 million) representing 31.59% (2023: 24.86%) 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 loss on financial asset at FVTPL of HK\$21.99 million. The net fair value loss on financial asset at FVTPL mainly comprised of the fair value loss on investment in listed equity securities of SunCorp Technologies Limited ("STL") (approximately HK\$4.47 million) and WLS Holdings Limited ("WLS") (approximately HK\$17.83 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

As at 30 April 2024, the financial asset at FVTPL held by the Group were approximately HK\$62.58 million (2023: HK\$80.66 million). Details of the financial asset at FVTPL held by the Group were as follows:

	As at 30 April 2024		As at 30 April 2023
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	14,621	3.17%	32,448
China Jicheng Holdings Limited ("CJH")	10,156	2.20%	4,368
China Investment and Finance Group Limited ("CIF")	6,061	1.31%	5,059
Harbour Digital Asset Capital Limited ("HDA")	5,890	1.28%	5,510
STL	5,695	1.23%	10,170
Other listed equity securities (Note 1)	<u>20,155</u>	4.37%	<u>23,108</u>
Total	<u><u>62,578</u></u>	13.57%	<u><u>80,663</u></u>

Note:

- As at 30 April 2024, other listed equity securities comprised 18 listed equity securities and none of them was more than 1% of the total assets of the Group.

WLS, CJH, CIF, HDA and STL are listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Except the Group held approximately 635.7 million shares (approximately 4.4%) of WLS, as at 30 April 2024, there was no investment held by the Group the value of which was more than 3% of the total assets of the Group. The total investment cost in WLS was approximately HK\$11.94 million and, for the year ended 30 April 2024, the Group recorded the fair value loss on investment in WLS of approximately HK\$17.83 million. The major activities of WLS are the provision of scaffolding, fitting out and other auxiliary services for construction and buildings work, money lending business and assets management business. Based on WLS’s annual report for the year ended 30 April 2024, turnover and loss of WLS were approximately HK\$82.41 million and HK\$11.15 million respectively. The major activities of CJH are engaged in the manufacturing and sales of umbrellas and umbrella parts. The major activities of CIF are trading of securities and investment holding. 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 STL are engaged in the processing and trading of used computer-related components such as integrated circuit chips, hard-disk and motherboards from developed countries to developing countries; providing money lending business; securities brokerage and underwriting business; and sales of clothes and beauty products business.

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.

Raising of Funds and Use of Proceeds

On 24 October 2022, the Company entered into a placing agreement with a placing agent pursuant to which the Company has conditionally agreed to place up to 45,124,422 placing shares at a price of HK\$0.20 per placing share (the “Placing”). The placing shares were allotted and issued on 10 November 2022. Net proceeds from the Placing was approximately HK\$8.7 million (the “Net Proceeds”) which was intended to be applied for upgrading and renovating the Group’s existing property, plant and equipment, and for general working capital of the Group. As at 30 April 2024, the Net Proceeds were fully utilised as intended.

Capital Structure, Liquidity and Financial Resources

The Group generally financed its operations by internal cash resources and bank financing. There has been no material change in the capital structure of the Group since 30 April 2023.

As at 30 April 2024, the Group’s cash and cash equivalents amounted to HK\$58.54 million (2023: HK\$70.23 million). To finance its working capital, the Group has incurred total outstanding debts of HK\$52.34 million as at 30 April 2024 (2023: HK\$58.77 million), which comprised HK\$35.37 million (2023: HK\$36.86 million) of collateralised bank borrowings, HK\$2.95 million (2023: HK\$6.28 million) of lease liabilities and HK\$14.02 million (2023: HK\$15.63 million) of other borrowings. In terms of interest costs, included in the outstanding debts, HK\$38.32 million (2023: HK\$43.14 million) was interest bearing and HK\$14.02 million (2023: HK\$15.63 million) was interest free.

The gearing ratio was 16.1% as at 30 April 2024 (2023: 15.2%).

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 2024 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 2024, leasehold properties with a carrying amount of approximately HK\$93.18 million (2023: HK\$97.18 million) were pledged to secure bank borrowings granted to the Group. As at 30 April 2024, motor vehicles with a carrying amount of approximately HK\$834,000 (2023: HK\$729,000) were assets held under lease liabilities.

Capital Expenditure

During the year ended 30 April 2024, the Group invested HK\$4.26 million (2023: HK\$8.75 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 2024, the total number of employees of the Group was approximately 730 (2023: 870). 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 2024, 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 C.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, the Company considers that there is an adequate balance of power and authority in place between the Board and the management of the Company.

Following the passing away of Mr. Li on 2 September 2023, the Group is of the view that there is a deviation from Code Provision C.2.1 of the CG Code and is in the progress of identifying suitable candidate to fill the vacancy for the Chairman and the Chief Executive.

Appointment, Retirement and Re-election of Directors

The Company currently does not have a Director holding office as its managing director.

A retiring Director is eligible for re-election and the re-election of retiring Directors at general meetings is dealt with by separate individual resolutions. Where vacancies arise at the Board, candidates are proposed and put forward to the Board for consideration and approval. The Shareholders may propose a candidate for election as a Director in accordance with the Bye-laws. The procedures for such proposal are posted on the website of the Company.

AUDIT COMMITTEE

The Audit Committee was established in April 2000. As at 30 April 2024, 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 2024 has been reviewed by the Audit Committee.

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

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 30 April 2024 as set out in this announcement have been agreed by the Company's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's 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 and consequently no opinion or assurance conclusion has been expressed by McMillan Woods (Hong Kong) CPA Limited on this 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) and the Stock Exchange. The Company's annual report for the year ended 30 April 2024 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
Tung Siu Ching
Executive Director

Hong Kong, 31 July 2024

As at the date of this announcement, the Board comprises three Executive Directors, namely 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.