

The Board of Directors of QPL International Holdings Limited (the "Company") hereby presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the "Group") for the six months ended 31 October, 2001 together with comparative figures for the corresponding period in 2000 as set forth below.

Additional information has been provided on the comparative figures for the corresponding six months period in 2000 in respect of the unaudited condensed consolidated income statement, prepared on a pro forma basis as if ASAT S.A. had been an indirect associate company of the Group during that period. ASAT S.A. was a wholly owned subsidiary of the Company, and its results were consolidated into the Group until January, 2001, when ASAT Holdings Limited ("ASAT"), an associate company of the Group, exercised its option to acquire the entire issued share capital of ASAT S.A. The information prepared on a pro forma basis is presented on the basis that the option referred to above had been exercised as at 30 April, 2000 thereby providing a better base for analysis and comparison with the unaudited condensed consolidated income statement for the current reporting period.

RESULTS FOR THE FIRST HALF YEAR

The Group's unaudited consolidated net loss after tax for the first half year ended 31 October, 2001 amounted to HK\$387 million (2000: profit of HK\$891 million), of which over 59% was attributable to the share of loss after tax of the Group's major associate, ASAT, amounting to HK\$230 million (2000: share of profit of HK\$88 million) and approximately 35% was attributable to the crystallisation of obligation under guarantees to financial institutions. Since ASAT is a major associate of the Group, the Company has consistently published ASAT's quarterly results to keep the public informed of its contribution to the results of the Group. The latest announcement was made on 29 November, 2001 by the Company in respect of ASAT's unaudited results prepared in accordance with accounting principles generally accepted in the United States of America for the six months period ended 31 October, 2001 which recorded a loss of approximately US\$70 million or

QPL International Holdings Limited (「本公司」) 董事會謹此呈報本公司及其附屬公司 (「本集團」) 截至二零零一年十月三十一日止六個月之未經審核簡明綜合財務報告，連同二零零零年同期之比較數字如下。

茲提供二零零零年同期六個月未經審核簡明綜合收益表之比較數字之額外資料，該等資料乃假設 ASAT S.A. 於該期間為本集團之間接聯營公司而以備考基準編撰。直至本集團之聯營公司 ASAT Holdings Limited (「樂依文」) 於二零零一年一月行使購股權收購 ASAT S.A. 全部已發行股本之前，ASAT S.A. 為本公司之全資附屬公司，其業績一直綜合計入本集團業績。以備考基準編撰之資料乃假設上述購股權已於二零零零年四月三十日行使而呈列，以便更易於與本報告期間之未經審核簡明綜合收益表作分析及比較。

上半年業績

本集團截至二零零一年十月三十一日止上半年之未經審核綜合除稅後虧損淨額為387,000,000港元(二零零零年：溢利891,000,000港元)，其中逾59%屬於本集團分佔主要聯營公司樂依文之除稅後虧損230,000,000港元(二零零零年：分佔溢利88,000,000港元)及約35%屬於履行對財務機構承擔擔保責任。由於樂依文為本集團之主要聯營公司，因此本公司定期發表樂依文之季度報告，使公眾知悉該公司對本集團業績之貢獻。本公司最近於二零零一年十一月二十九日公佈樂依文之未經審核業績，該業績乃根據美國普遍採納之會計準則編撰，顯示樂依文於截至二零零一年十月三十一日止六個月之虧損約為70,000,000美元或約等於546,000,000港

approximately HK\$546 million (2000: profit of approximately US\$23 million or approximately HK\$179 million).

Basic loss per share for the period under review was HK\$0.76 (2000: basic EPS HK\$1.74). Basic additional loss per share, prepared on the basis of excluding certain non-recurring items and accordingly providing a better base for comparing the Group's current results against previous periods, was HK\$0.29 (2000: basic additional EPS HK\$0.40).

PERFORMANCE REVIEW

Year 2001 saw a worldwide slump in the semiconductors industry as the major economies experienced global recession for the first time in a decade. As an upstream semiconductor material/services supplier, the Group has been hit particularly hard by the abrupt market change. As there is no clear sign of a rebound in consumer confidence, end product manufacturers have adopted a cautious approach to placing orders for semiconductor materials as an overhang in inventory level still persists.

Against this adverse economic backdrop, the Group continues to position itself for improved performance and competitiveness. In August 2001 the Group, together with ASAT, was among the first companies in the industry to report significant revenue increases over the previous fiscal quarter ended 31 July, 2001. This recovery may have been sustainable were it not for the September 11 tragedy, which caused consumer confidence to fall to new lows. From September 2001 onwards, the Group registered sales below those achieved in August 2001 but still above this year's trading bottom (seasonal factors discounted), laying a solid foundation for the Group to generate more sales and profits ahead of our peers in the industry.

The Group's consolidated turnover for the first half year ended 31 October, 2001 amounted to HK\$124 million, representing approximately 30% of HK\$418 million consolidated revenues for the same period in the previous financial year prepared on a pro forma basis ("pro forma

元(二零零零年：溢利約23,000,000美元或約等於179,000,000港元)。

業績回顧期間之每股基本虧損為0.76港元(二零零零年：每股基本盈利1.74港元)。為更易於將本集團本期間業績與上一個期間之業績比較，剔除若干非經常性項目後之每股基本額外虧損為0.29港元(二零零零年：每股基本額外盈利0.40港元)。

業務回顧

在全球主要經濟體系於十年來首次衰退下，二零零一年全球半導體業亦一片不景。作為業內基礎半導體物料/服務供應商，本集團尤其受到市場逆轉之嚴重打擊。由於消費者信心並無明顯好轉跡象，成品生產商因存貨過剩而在訂購半導體物料方面更趨審慎。

面對經濟逆境，本集團繼續致力改善業務及競爭力。本集團與樂依文於二零零一年八月錄得之收益與截至二零零一年七月三十一日止季度比較有重大收益增長，成為同業之表表者。若非九一一事件將消費者信心推至新低，業績應可持續向好。由二零零一年九月起，本集團之銷售額低於二零零一年八月之水平，但撇除季節性因素後仍高於本年度最低水平，故此本集團有條件在同業中脫穎而出，在未來取得更多銷售及溢利。

本集團截至二零零一年十月三十一日止上半年之綜合營業額為124,000,000港元，相等於以備考方式計算上一個財政年度同期之綜合營業額418,000,000港元(「備考業績」)約30%。按

results”). As previously reported in the Group’s annual report for 2000/2001, in a bid to address adverse market conditions the Group has been taking vigorous steps to reduce administrative and operating costs while sharpening its competitive edge in its specialised markets. As a result of these determined efforts EBITDA, as an illustration of the Group’s recurrent operating cash flow, was virtually break-even with an outflow of just HK\$6 million on a very low level of production capacity usage, and on a loss from operations of HK\$31 million (2000: pro forma profit of HK\$90 million).

An administrative receiver has been appointed over certain of the assets of ESM Limited (“ESM”). As a result of a guarantee given by the Company to certain creditors (the “New Creditors”) of ESM, the Company is obliged to make the quarterly scheduled payments of principal and interest to the New Creditors. If the Company fails to make these scheduled payments, the New Creditors may call upon a standby letter of credit. The Company is now obliged to pay quarterly instalments of approximately HK\$14 million from 31 January, 2002 until 31 July, 2004. The Company will be making the first such payment on 31 January, 2002. When the Company has paid off the New Creditors, it will be entitled to take over their security rights against ESM over certain equipment located in the United Kingdom. The board of directors has made a provision for the principal amount of the above liability.

Due to the losses suffered by the Company, the Company’s unaudited net asset value based upon management accounts has fallen below the levels required by certain financial covenants in its loan agreements. Consequently, the Company is in discussions with its bankers in respect of its compliance with these financial covenants. No demand has been received from any of the Company’s banks under its loan agreements.

本集團先前在二零零零／二零零一年度年報所述，為克服困難市況，本集團針對本身專攻之市場提升競爭力之同時，亦一直積極減省行政及營運成本。經過果斷努力降低成本後，反映本集團經常營運現金流量之除利息、稅項、折舊及攤銷前盈利(EBITDA)，在生產力使用率極低及經營虧損為31,000,000港元(二零零零年：備考溢利90,000,000港元)時，仍可趨近平衡，現金流出數額僅為6,000,000港元。

ESM Limited (「ESM」) 若干資產被委任之破產管理人接管。由於本公司已向ESM若干債權人(「新債權人」) 提供擔保，故此本公司現須每季分期向新債權人支付本金連利息。倘若本公司未能如期還款，則新債權人可要求即時就備用信用狀付款。目前，本公司須於二零零二年一月三十一日至二零零四年七月三十一日期間每季分期償還約14,000,000港元。本公司將於二零零二年一月三十一日支付首期款項。當本公司向新債權人還清款項後，將可取得ESM若干位於英國之設備之抵押權。董事會已就上述負債之本金額作出全數撥備。

由於本公司出現虧損，故此根據管理賬目計算之本公司未經審核資產淨值降低於貸款協議內若干財契約所規定之水平。因此，本公司正與往來銀行就履行該等財務契約進行磋商。本公司並無接獲有關貸款協議之任何往來銀行之付款要求。

MAJOR ASSOCIATE — ASAT

As set out above, during the period under review ASAT incurred significant trading losses at levels well in excess of the Group's operations. Traditionally ASAT's exposure to the telecommunication sector and its production capacities, hence its fixed/semi-fixed operating costs levels and headcounts, were comparatively higher than those of the Group. Accordingly, while ASAT enjoyed much higher profits in a buoyant year like 2000, it also suffered deeper losses in 2001 despite the implementation of similar cost control measures at the same time as the Group. Nevertheless ASAT has delivered significant improvements in EBITDA performance. By the latest reporting quarter ended 31 October, 2001, as compared to the quarter ended 30 April, 2001, ASAT expects to have lowered its break-even point on an EBITDA basis by over 40%. Furthermore, by virtue of the rigorous monitoring of expenses and capital expenditures, ASAT was able to maintain a strong balance sheet with US\$53 million or approximately HK\$413 million in cash, thereby preserving its liquidity and enabling it to continue to improve performance.

OUTLOOK

In view of the current weaknesses in the US and European economies which remain the major end customer markets presently served by the Group, we have to remain cautious in our market outlook. Although there are recent signs suggesting that the downturn in the semiconductor industry has bottomed out, most macro-economic indicators suggest that the current depressed worldwide economic environment will extend well into 2002. The Group expects that sectoral recovery will take place gradually in 2002. The Group therefore anticipates that trading conditions will remain challenging in the near term, and is currently trading at a small monthly loss.

In December 2001, two major semiconductor trade associations namely Semiconductor Equipment and Materials International ("SEMI") and Semiconductor Industry Association ("SIA"), have on separate occasions, forecast a single digit recovery in demand in the

主要聯營公司 — 樂依文

按上文所述，樂依文於業務回顧期內出現重大經營虧損，表現遠超過本集團之業務規模。樂依文以往在電訊市場及生產能力方面之風險均較本集團為高，因此其固定／半固定經營成本較本集團為高，人員亦較多。因此，樂依文於二零零零年市道好景時能取得較高溢利，但於二零零一年雖然與本集團同樣採取類似之控制成本措施，會錄得較大虧損。然而，樂依文之EBITDA表現已有重大改善。根據最近期截至二零零一年十月三十一日止季度之數字，與截至二零零一年四月三十日止季度比較，樂依文預期以EBITDA計算之收支平衡水平將會下降逾40%。在嚴格監控支出及資本開支下，樂依文成功維持穩健之資產負債水平，其中持有現金53,000,000美元或約等於413,000,000港元，令其仍有充裕流動資金，得以繼續改善業務。

前景

美國及歐洲目前經濟仍然疲弱，而兩地現時均為本集團之主要客戶市場，因此本集團對市場前景維持審慎。雖然最近有跡象顯示半導體業之衰退已達最低點，但大部份宏觀經濟指標顯示現時全球經濟不景將延續至二零零二年。預期半導體業將於二零零二年逐步復甦，因此本集團預料短期內仍將面對難鉅之經營環境，而現時每月出現輕微虧損。

二零零一年十二月，兩家主要半導體貿易組織 Semiconductor Equipment and Materials International (「SEMI」) 及 Semiconductor Industry Association (「SIA」) 分別預測半導體需求於二零零二年有單位數字之增長，在經濟復

semiconductor industry in 2002. This recovery will be a springboard for sales growth of around 20% per annum sequentially for each of the subsequent years of 2003 and 2004. These market forecasts were made after research on the current rate of inventory depletion, and assuming the gradual improvement across semiconductor applications to end user equipment would lead to further improvement in revenues, on the strength of a sustainable recovery in the US economy by mid-year 2002.

Supported by these authoritative forecasts the Group is continuing to expand the etching facilities to Dongguan, China with the installation of production equipment scheduled to start in the first quarter of 2002. This expansion is expected to be completed on time to deliver production capabilities on the basis of a more competitive cost structure at a time when the semiconductor industry is expected to recover and resume growth.

The level of borrowings at the balance sheet date was HK\$265 million, comprising a long term banking facility of US\$15 million, the crystallization of a contingent liability due to financial institutions of HK\$137 million and an unsecured loan of HK\$11 million. The long term banking facilities are denominated in US Dollars and is repayable in 6 equal semi annual instalments commencing 24 months from the date of drawdown carrying a floating interest rate and with an equity interest in ASAT of approximately 8.4 % pledged as security. The crystallized liability due to financial institutions is denominated in Pounds Sterling and US Dollars repayable in 11 equal quarterly instalments commencing on 31 January, 2002 to 31 July, 2004. The unsecured loan is denominated in French Francs with no fixed repayment terms. In addition, the Company undertook a placing of 25 million shares at HK\$2.675 per share in mid November 2001, which raised approximately HK\$64.5 million and which has further strengthened the working capital position of the Group and help to reduce the Group's gearing ratio. As most of our main income and expenditure items are denominated in Hong Kong and US Dollars, no currency hedging has been put in place. Save as aforesaid and as already disclosed in the 2001 Annual Report, no other asset of the Company was pledged to third party.

下，二零零三年及二零零四年連續兩年半導體銷售量將達到每年20%之增幅。以上市場預測乃根據現時存貨消耗率，並假設美國經濟最遲在二零零二年中開始持續增長下，半導體應用產品以至用戶設備之市場逐漸復甦而計算。

基於上述權威機構之預測，本集團正繼續擴展中國東莞之蝕刻廠房，並計劃於二零零二年第一季安裝生產設備。擴展廠房後，預期當半導體行業復甦及增長之時，可及時為本集團提供更具成本效益之生產力。

於結算日之借貸水平為265,000,000港元，其中包括長期銀行信貸15,000,000美元、變現欠財務機構之或然負債137,000,000港元及無抵押貸款11,000,000港元。長期銀行信貸以美元計算，須於提取當日起計二十四個月後開始分六期每半年償還，以浮動利率計息，並以樂依文約8.4%股權作為抵押。變現欠財務機構之負債以英鎊及美元計算，須於二零零二年一月三十一日至二零零四年七月三十一日期間分十一期每季償還。無抵押貸款以法郎定值，並無指定還款期。此外，本公司於二零零一年十一月中按每股2.675港元之價格配售25,000,000股股份，集資約64,500,000港元，進一步提高本集團之營運資金水平，及幫助減低本集團之負債資產比率。由於大部份主要收入及開支項目均以港元及美元計算，因此並無就貨幣風險安排對沖。除上文所述及已於二零零一年度年報披露者外，本公司並無將其他資產抵押予第三者。

On the basis of a more consolidated and focused workforce, well monitored and funded product developments and facilities expansion plans, a professional management team committed to excellence at all times, continuing good relationships with our customers and suppliers, the Group has been positioned to meet the challenges ahead and accordingly believes that it will be among the leaders in reaping the substantial benefits to be brought about whenever the semiconductor industry recovers from the present cyclical downturn.

EMPLOYEES AND REMUNERATION POLICY

As at 31 October, 2001, the Group, excluding an associate, employed approximately 850 employees (of whom approximately 650 were employed in Hong Kong), a decrease of 23% from 1,100 employees (of whom approximately 860 were employed in Hong Kong) as at the end of last financial year.

The Group continued its remuneration policy aiming at maintaining comparable wage levels and rewarding staff based on performance. In addition to salary payment, other benefits include discretionary bonus, retirement scheme, mandatory provident fund, medical schemes and share option scheme. Staff training is also provided as and when required.

APPRECIATION

I, on behalf of the Board, would take this opportunity to express my sincere gratitude to all our staff for their valuable contribution to the Group during this challenging period. Furthermore, I would also like to express appreciation to the Group's customers, business associates and shareholders for their unwavering support.

By Order of the Board

Li Tung Lok
Chairman

Hong Kong, 25 January, 2002

本集團加強精簡人員、產品開發及擴建廠房計劃受到有效監控、專業管理人員不斷精益求精、加上與客戶及供應商關係良好，因此具備優勢克服未來挑戰，並相信當半導體行業在現時之衰退周期見底回升之時，率先在同業中脫穎而出，取得重大收益。

僱員及薪酬政策

於二零零一年十月三十一日，本集團（不包括聯營公司）約有850名僱員（其中約650名在香港受聘），較上一個財政年度年結時之1,100名僱員（其中約860名在香港受聘）減少23%。

本集團之一貫薪酬政策，在於維持與同業相若之薪金水平，同時亦按員工表現釐定薪酬。除薪金外，其他福利包括不定額花紅、退休計劃、強制性公積金、醫療計劃及購股權計劃。本集團亦會為員工提供所需之培訓。

致謝

在充滿挑戰之期間，全體員工對本集團作出寶貴貢獻，本人謹代表董事會向全體員工致以衷心謝意。此外，本人亦藉此機會感謝本集團客戶、業務夥伴及股東之不斷支持。

承董事會命

主席
李同樂

香港，二零零二年一月二十五日