Qualipak International Holdings Limited
確利達國際控股有限公司

(Incorporated in Bermuda with limited liability)
Website: www.qualipakhk.com
(Stock Code: 1332)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2014

The board of directors (the "Board") of Qualipak International Holdings Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2014 together with comparative figures for the corresponding period in 2013 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended 30 June	
		2014	2013
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
REVENUE	3, 4	**191,348**	214,199
Cost of sales		**(160,651)**	(180,139)
Gross profit		**30,697**	34,060
Other income and gains	4	**845**	2,023
Selling and distribution expenses		**(7,128)**	(7,087)
Administrative expenses		**(18,808)**	(17,111)
Other expenses		**(388)**	(900)
Share of profits and losses of associates		**(905)**	(775)
PROFIT BEFORE TAX	5	**4,313**	10,210
Income tax expense	6	**(804)**	(1,561)
PROFIT FOR THE PERIOD		**3,509**	8,649

	Note	Six months ended 30 June **2014** **(Unaudited)** **HK$'000**	2013 (Unaudited) HK$'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(97)**	41
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**3,412**	8,690
Profit attributable to:			
Owners of the parent		**2,257**	6,144
Non-controlling interests		**1,252**	2,505
		3,509	8,649
Total comprehensive income attributable to:			
Owners of the parent		**2,160**	6,185
Non-controlling interests		**1,252**	2,505
		3,412	8,690
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	8	**HK1.57 cents**	HK4.27 cents

Details of dividend for the period are disclosed in note 7 to this results announcement.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2014 (Unaudited) HK$'000**	31 December 2013 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**117,060**	119,461
Prepaid land lease payments		**12,739**	12,940
Investments in associates		**230**	1,135
Total non-current assets		**130,029**	133,536
CURRENT ASSETS			
Prepaid land lease payments		**402**	402
Inventories		**37,873**	41,586
Trade and bills receivables	9	**57,013**	53,295
Prepayments, deposits and other receivables		**11,118**	4,110
Tax recoverable		**-**	186
Pledged deposits		**3,018**	7,542
Cash and cash equivalents		**87,378**	80,502
Total current assets		**196,802**	187,623
CURRENT LIABILITIES			
Trade and bills payables	10	**38,530**	31,931
Other payables and accruals		**20,211**	25,168
Tax payable		**1,012**	404
Total current liabilities		**59,753**	57,503
NET CURRENT ASSETS		**137,049**	130,120
TOTAL ASSETS LESS CURRENT LIABILITIES		**267,078**	263,656
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**1,532**	1,522
Net assets		**265,546**	262,134
EQUITY			
Equity attributable to owners of the parent			
Issued capital	11	**14,377**	14,377
Reserves		**248,984**	246,824
		263,361	261,201
Non-controlling interests		**2,185**	933
Total equity		**265,546**	262,134

Notes:

1. CORPORATE INFORMATION

The Company was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company with limited liability on 24 October 2011. The principal place of business of the Company is located at 7th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong.

The principal activities of the Company are investment holding and provision of corporate management services. The Group is principally engaged in the design, development, manufacture and sale of packaging products and point-of-sales display units.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2014 were authorised for issue in accordance with a resolution of the directors on 26 August 2014.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2013.

The accounting policies and basis of preparation adopted in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those adopted in the Group's annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong, except that the Group has in the current period adopted, for the first time, the following new and revised HKFRSs:

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendments	Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – *Investment Entities*
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
HKAS 39 Amendments	Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*
HK (IFRIC)-Int 21	*Levies*

The adoption of these new and revised HKFRSs has had no significant financial effect on these unaudited interim condensed consolidated financial statements.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of the new and revised HKFRSs but is not yet in a position to state whether the new and revised HKFRSs would have a potential impact on its results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group has only one operating segment which is the manufacture and sale of watch boxes, jewellery boxes, eyewear cases, bags and pouches and display units. Since this is the only operating segment of the Group, no further operating segment analysis thereof is presented.

Revenue from external customers based on the locations of these customers is analysed as follows:

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Hong Kong and Mainland China	**84,713**	103,561
Europe	**52,906**	57,582
North and South America	**29,362**	37,329
Others	**24,367**	15,727
	191,348	214,199

The geographical locations of the Group's non-current assets are analysed as follows:

	30 June	31 December
	2014	2013
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Hong Kong	**66,486**	68,554
Mainland China	**63,543**	64,982
	130,029	133,536

The non-current asset information above is based on the location of assets.

Information about a major customer

Revenue of approximately HK$52,943,000 (six months ended 30 June 2013: HK$78,609,000) was derived from sale of watch boxes, jewellery boxes, eyewear cases, bags and pouches and display units to a single customer, which accounted for more than 10% of the Group's total revenue.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of the Group's other income and gains is as follows:

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Bank interest income	**53**	69
Sale of scrap materials	**199**	233
Gain on disposal of items of property, plant and equipment	**40**	15
Gross rental income	**480**	480
Fair value gain on a derivative financial instrument	**-**	875
Others	**73**	351
	845	2,023

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Depreciation	**2,574**	2,495
Amortisation of prepaid land lease payments	**201**	201
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	**41,625**	47,459
Pension scheme contributions	**5,181**	5,859
	46,806	53,318
Foreign exchange differences, net	**(316) ***	900 *
Write-back of impairment of trade receivables	**-**	(17)
Fair value loss/(gain) on a derivative financial instrument	**704 ***	(875)

* These items are included in "Other expenses" on the face of the condensed consolidated statement of profit or loss and other comprehensive income.

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current charge for the period		
Hong Kong	**744**	1,514
Mainland China	**50**	-
Deferred	**10**	47
Total tax charge for the period	**804**	1,561

7. DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount for the six months ended 30 June 2014 is based on the profit for the period attributable to ordinary equity holders of the parent of HK$2,257,000 (six months ended 30 June 2013: HK$6,144,000), and the weighted average number of ordinary shares of 143,765,993 (six months ended 30 June 2013: 143,765,993) in issue during the period.

The Group had no potentially dilutive ordinary share in issue during the six months ended 30 June 2014 and 2013.

9. TRADE AND BILLS RECEIVABLES

	30 June	31 December
	2014	2013
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Trade and bills receivables	**57,352**	53,634
Impairment	**(339)**	(339)
	57,013	53,295

The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit period generally ranges from 30 to 60 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 June 2014 (Unaudited) HK$'000	31 December 2013 (Audited) HK$'000
Within 1 month	**37,128**	27,380
1 to 2 months	**11,124**	17,870
2 to 3 months	**6,977**	6,026
Over 3 months	**1,784**	2,019
	57,013	53,295

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired as follows:

	30 June 2014 (Unaudited) HK$'000	31 December 2013 (Audited) HK$'000
Neither past due nor impaired	**40,892**	36,828
Less than 1 month past due	**12,980**	12,610
Over 1 month past due	**3,141**	3,761
	57,013	53,199

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

10. TRADE AND BILLS PAYABLES

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2014 (Unaudited) HK$'000	31 December 2013 (Audited) HK$'000
Within 1 month	**31,953**	25,170
1 to 2 months	**6,434**	6,203
2 to 3 months	**94**	524
Over 3 months	**49**	34
	38,530	31,931

The trade and bills payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

11. SHARE CAPITAL

Shares

	30 June 2014 (Unaudited) HK$'000	31 December 2013 (Audited) HK$'000
Authorised:		
1,000,000,000 (31 December 2013: 1,000,000,000) ordinary shares of HK$0.10 each	**100,000**	100,000
Issued and fully paid:		
143,765,993 (31 December 2013: 143,765,993) ordinary shares of HK$0.10 each	**14,377**	14,377

INTERIM DIVIDEND

The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Year 2014 continued to be a challenging year for the Group, with the world economy getting off on a faltering start affected by the political turbulence in Eastern Europe, prospects of tapering of the quantitative easing measures in the US, and generally subdued growth in almost all other regions. The slowing down of the Chinese economy, fragile recovery in the Euro area, and shrinkage in GDP growth in the US have together caused overall slackening in consumption and the demand for luxury goods. Driven by a possible weakening in consumption sentiment, customers delayed ordering for packaging products until their inventory level required replenishment. Sales volume and revenue were adversely impacted by the conservative orders placed by customers.

Since production costs and some of the operating expenses are relatively constant and fixed in nature regardless of fluctuation of sales revenue, any modest drop in sales orders would result in a fall in revenue and a disproportionate fall in profits. The revenue for the period was HK$191.3 million, a 10.7% decline from HK$214.2 million for the corresponding period of last year. As a result, the Group recorded a profit before tax of HK$4.3 million for the period, as compared with HK$10.2 million for the corresponding period of last year.

Geographically, Hong Kong and Mainland China are still the Group's most prominent market. However, sales activities to all major markets have experienced different degrees of a downward slide. Compared to the corresponding period of last year, sales to Hong Kong and Mainland China and North and South America have decreased 18.2% and 21.3%, respectively while for European market, it has modestly declined 8.1%.

The operating environment was still unfavourable to many manufacturers in Southern China during the period under review as surging production costs and soaring wage expenses continue to erode their profitability. The increase in wages was attributable to the continuing urbanization leading to shortage of skilled labour, and the Chinese government pushing up wage adjustment during the period. However, to stay competitive in the price sensitive market, the Group only passes the additional costs onto its customers only to the extend as could be appropriate.

Caused by the weak consumer spending in consumer products and luxury goods, sales revenue for the first half of 2014 decreased to HK$191.3 million (six months ended 30 June 2013: HK$214.2 million). The Group's net profit and net profit margin decreased to HK$3.5 million (six months ended 30 June 2013: HK$8.6 million) and 1.8% (six months ended 30 June 2013: 4.0%), respectively. This was mainly due to the decrease in revenue, increase in labor cost and other operating costs.

FINANCIAL REVIEW

Revenue

The Group generated revenue from its only one operating segment, which is the manufacture and sale of packaging cases, bags and pouches and display units for watches, jewellery and eyewear products. Its customers include internationally renowned brands of watches, jewellery and eyewear products and others like traders of packaging and display products. The revenue of the Group decreased by 10.7% to HK$191.3 million (six months ended 30 June 2013: HK$214.2 million), in view of a decline in revenue from existing customers dipping across all key product categories.

The following tables set forth the breakdown of the Group's revenue by product categories and by geographical locations of its customers during the period:

	Six months ended 30 June			
	2014		2013	
	Revenue	**Percentage of total revenue**	Revenue	Percentage of total revenue
	HK$'000	**%**	HK$'000	%
Packaging cases	**123,856**	**64.7**	129,127	60.3
Bags and pouches	**6,182**	**3.2**	9,992	4.7
Display units	**51,629**	**27.0**	64,974	30.3
Others	**9,681**	**5.1**	10,106	4.7
	191,348	**100.0**	214,199	100.0

	Six months ended 30 June			
	2014		2013	
	Revenue	**Percentage of total revenue**	Revenue	Percentage of total revenue
	HK$'000	**%**	HK$'000	%
Hong Kong and Mainland China	**84,713**	**44.3**	103,561	48.4
Europe	**52,906**	**27.7**	57,582	26.9
North and South America	**29,362**	**15.3**	37,329	17.4
Others	**24,367**	**12.7**	15,727	7.3
	191,348	**100.0**	214,199	100.0

During the period under review, sales of packaging cases were still the major product category and contributed 64.7% of the total revenue (six months ended 30 June 2013: 60.3%). Another product line, display units, contributed 27.0% of the total revenue (six months ended 30 June 2013: 30.3%). Sales of packaging cases and display units had shown a decrease of 4.1% and 20.5%, respectively as compared to the corresponding period of last year, primarily attributable to the decline in market demand for packaging cases and display units in Hong Kong and the American markets. Geographically, Hong Kong and Mainland China, Europe, and North and South America are the major markets of the Group's products. The revenue generated from sales to customers located in Hong Kong and Mainland China and North and South America decreased by HK$18.8 million and HK$8.0 million, respectively as compared to the corresponding period of last year.

Gross Profit and Gross Profit Margin

Due to the decrease in revenue during the period, the Group's gross profit was HK$30.7 million (six months ended 30 June 2013: HK$34.1 million), representing a decrease of HK$3.4 million or 9.9% as compared to the corresponding period of last year. The gross profit margin was 16.0% (six months ended 30 June 2013: 15.9%). The gross profit in the first half of 2013 was arrived at after accounting for the one-off settlement payment to employees arising from the cessation of their employment due to the transformation of the Guanlan processing factory. Excluding the above one-off settlement payment, the gross profit margin for the corresponding period in 2013 would have been 17.7%. Under such comparison, the Group's gross profit margin decreased by 1.7% in the first half of 2014, which was mainly attributable to the increase in labour cost.

Operating Expenses

The Group's operating expenses increased by 7.2% to HK$25.9 million for the six months ended 30 June 2014 (six months ended 30 June 2013: HK$24.2 million). The increase was mainly attributable to the increase in marketing expenses for marketing and promotional events and staff cost.

Other Businesses

Due to the weak consumer demand in kitchenware products, the share of loss from the 30% owned associated company, Technical International Holdings Limited, amounted to HK$0.9 million (six months ended 30 June 2013: loss of HK$0.8 million). Based on the historical trend of seasonal patterns, the business is expected to recover in the second half of the year.

Net Profit

For the six months ended 30 June 2014, the profit attributable to owners of the parent decreased by 63.3% to HK$2.3 million (six months ended 30 June 2013: HK$6.1 million). The decrease in net profit was primarily due to the decrease in revenue and the increase in labour cost.

Capital Expenditure

For the six months ended 30 June 2014, the Group invested HK$0.2 million in machinery and equipment.

Liquidity and Financial Resources

The Group's financial position remains sound and healthy. As at 30 June 2014, the Group was debt-free and had net cash balances amounting to HK$90.4 million (31 December 2013: HK$88.0 million), which included HK$3.0 million (31 December 2013: HK$7.5 million) of time deposits pledged to banks.

Gearing Ratio

Gearing ratio is measured by net bank borrowings (bank borrowings less available bank balances) as a percentage of equity. As the Group had no outstanding bank borrowings as at 30 June 2014 (31 December 2013: Nil), gearing ratio was zero as at 30 June 2014 (31 December 2013: Zero).

Pledged of Assets

As at 30 June 2014, the Group had pledged certain of its leasehold properties and deposits with aggregated amounts of HK$34.8 million (31 December 2013: HK$35.2 million) and HK$3.0 million (31 December 2013: HK$7.5 million), respectively, to secure general banking facilities granted to its subsidiary and associates, as appropriate.

Contingent Liabilities

As at 30 June 2014, the Group has contingent liabilities in respect of guarantees amounting to HK$4.5 million (31 December 2013: Nil) given to a financial institution for general banking facilities granted to its associates.

Foreign Exchange Risk

The majority of sale and purchase transactions were conducted in US dollars and Hong Kong dollars. Therefore, the foreign exchange exposure was considered minimal. However, the Group was indirectly exposed to currency risk of RMB, which arose from the payment of the production costs to the production plant and processing factory and other cost items denominated in RMB. The Group continued to adopt prudent policies to enter into non-deliverable forward currency contracts to hedge against its foreign currency risk during the period.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

There was no significant investment held as at 30 June 2014, nor other material acquisition and disposal of subsidiaries during the period.

EMPLOYEES

As at 30 June 2014, the Group had a workforce of 71 employees in Hong Kong and 1,180 employees in Mainland China and incurred wages and salaries in the amount of approximately HK$41.6 million for the period under review. The Group remunerates its staff based on their merit, qualification, competence and prevailing market salaries level. The Group has also established an incentive bonus scheme to reward employees based on their performance. Employees are also eligible to be granted share options under the Company's share option scheme at the discretion of the Board. Other benefits include contributions to the provident fund scheme, mandatory provident fund, and medical insurance.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 12 July 2012 and raised net proceeds of HK$20.2 million. As at 30 June 2014, the unused proceeds of HK$5.9 million were deposited into licensed banks in Hong Kong.

As at 30 June 2014, the net proceeds had been utilised as follows:

	Actual net proceeds HK$ million	Amount utilised up to 30 June 2014 HK$ million	Balance as at 30 June 2014 HK$ million
Acquisition and replacement of machinery and equipment	8.1	4.8	3.3
Explore new business opportunities and enhance market awareness of the Group's products	8.1	7.0	1.1
Enhance the Group's product design and development capability	2.0	0.5	1.5
Working capital and other general corporate purposes	2.0	2.0	-
	20.2	14.3	5.9

PROSPECTS

For the remainder of 2014 the Group foresees a continuous rising trend in workers' salary caused by shortage of skilled labour and increase in the statutory minimum wage in China. Together with surging material costs, this is expected to further erode the profit margin of the Group for the year. The Group will continue to strive hard to minimize the impact of rising costs by trimming production expenses as far as possible, and by developing more new product designs to attract new orders. More semi-automatic procedures in production process will be used to lower the labour pressure, and at the same time, to achieve better standardization of the quality of final products. The Group's customers could enjoy the benefits of more stable deliveries and pricing and, in return, increase their demand in their packaging consumption.

Amidst external pressures and challenges, the Group will diversify its product range by introducing new designs using better quality and environmental compliant materials, and designs targeting different market segments. Based on the long relationship with its customers, the Group will adopt a more aggressive marketing strategy with new and existing customers to supply different and more high end packaging, window display units and sales support accessories.

Looking ahead, the global economic and political conditions still point to a very uncertain future for the packaging business. Though many developed economies are edging towards recovery, the pace is relatively slow and can easily be reversed by changes in economic outlook. Also, should there be an intensification of the political tension that started from events in Eastern Europe, consumer appetite for luxury items might be severely hit, which would result in stagnant demand for the Group's packaging products. Based on the latest orders on hand, it is anticipated that the annual sales revenue for 2014 will be lower than 2013. As mention in the "Business Review" Section, due to the nature of production costs and certain operating expenses, any reduced sales revenue would result in a disproportionate fall in profits. We therefore foresee that there will be a significant decline in profitability for the full year of 2014 as compared with 2013.

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2014, the Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

DIRECTORS' SECURITIES TRANSACTIONS

The Company 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 as its own code of conduct regarding securities transactions by directors. Specific enquiries have been made of all directors who have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2014.

REVIEW OF INTERIM RESULTS

The Audit Committee has discussed with the management and independent auditors the accounting policies and practices adopted by the Group, and has reviewed the Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2014.

PUBLICATION OF THE INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the Company's website at www.qualipakhk.com and the HKExnews website at www.hkexnews.hk. The Company's 2014 Interim Report will also be available on these two websites and despatched to the shareholders of the Company in due course.

By order of the Board
Lam How Mun Peter
Chairman

Hong Kong, 26 August 2014

As at the date of this announcement, the Board comprises Ms. Poon Ho Yee Agnes, Mr. Lam Hiu Lo, Mr. Leung Chun Cheong and Mr. Wu Hong Cho as Executive Directors; Dr. Lam How Mun Peter and Mr. Leung Wai Fai as Non-executive Directors; and Mr. Chan Sze Hung, Dr. Leung Wai Keung and Mr. Tam Kwok Fai Paul as Independent Non-executive Directors.