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巨騰國際控股有限公司

JU TENG INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3336)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

Financial Highlights

- Turnover for the year ended 31 December 2013 reached approximately HK\$9,257 million, representing an increase of approximately 0.6%.
- Gross profit for the year ended 31 December 2013 reached approximately HK\$1,873 million, representing an increase of approximately 33.7%.
- Gross profit margin for the year ended 31 December 2013 increased to approximately 20.2% from approximately 15.2% for the year ended 31 December 2012.
- Profit attributable to equity holders of the Company for the year ended 31 December 2013 reached approximately HK\$762 million, representing an increase of approximately 26.8%.
- Had the one-off withholding tax expense of approximately HK\$51 million in relation to the repatriation of dividends declared by certain subsidiaries of the Company in the PRC not incurred, profit attributable to equity holders of the Company for the year ended 31 December 2013 would have reached approximately HK\$813 million, representing an increase of approximately 35.3%.
- Basic earnings per share attributable to equity holders of the Company for the year ended 31 December 2013 increased to approximately HK66.2 cents, representing an increase of approximately 24.4%.
- Net asset value per share attributable to equity holders of the Company as at 31 December 2013 reached approximately HK\$5.3 as compared with approximately HK\$4.7 as at 31 December 2012.

The board (the “**Board**”) of directors (the “**Directors**”) of Ju Teng International Holdings Limited (the “**Company**” or “**Ju Teng**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2013

	<i>Notes</i>	2013 HK\$'000	2012 HK\$'000
REVENUE	3	9,256,832	9,201,313
Cost of sales		(7,383,881)	(7,800,083)
Gross profit		1,872,951	1,401,230
Other income and gains	3	65,868	99,874
Selling and distribution expenses		(101,564)	(93,525)
Administrative expenses		(581,043)	(530,905)
Other expenses		(62,162)	(26,471)
Finance costs	4	(61,844)	(61,993)
PROFIT BEFORE TAX	5	1,132,206	788,210
Income tax expense	6	(255,389)	(128,589)
PROFIT FOR THE YEAR		876,817	659,621
Attributable to:			
Equity holders of the Company		762,173	600,959
Non-controlling interests		114,644	58,662
		876,817	659,621
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
- Basic (HK cents)		66.2	53.2
- Diluted (HK cents)		62.9	51.2

Details of dividend proposed for the year are disclosed in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the year ended 31 December 2013*

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
PROFIT FOR THE YEAR	<u>876,817</u>	<u>659,621</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	230,432	63,174
Available-for-sale investment:		
Change in fair value	12,657	6,653
Income tax effect	<u>(2,152)</u>	<u>(1,400)</u>
	<u>10,505</u>	<u>5,253</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	<u>240,937</u>	<u>68,427</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>1,117,754</u></u>	<u><u>728,048</u></u>
Attributable to:		
Equity holders of the Company	949,804	663,786
Non-controlling interests	<u>167,950</u>	<u>64,262</u>
	<u><u>1,117,754</u></u>	<u><u>728,048</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2013

		2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		7,290,846	6,193,404
Lease premium for land		205,199	183,319
Goodwill		40,062	40,062
Prepayments for acquisition of property, plant and equipment		122,244	438,178
Available-for-sale investments		44,042	31,373
Total non-current assets		<u>7,702,393</u>	<u>6,886,336</u>
CURRENT ASSETS			
Inventories		1,183,131	937,488
Trade receivables	9	3,953,777	3,239,371
Prepayments, deposits and other receivables		793,583	964,792
Derivative financial instruments		-	15,155
Pledged bank balances and time deposits		23,803	43,231
Cash and cash equivalents		1,061,299	1,162,927
Total current assets		<u>7,015,593</u>	<u>6,362,964</u>
CURRENT LIABILITIES			
Trade and bills payables	10	1,554,929	1,629,270
Other payables and accruals		984,038	744,140
Tax payable		237,854	172,918
Interest-bearing bank borrowings		2,663,599	2,499,007
Derivative financial instruments		4,190	-
Total current liabilities		<u>5,444,610</u>	<u>5,045,335</u>
NET CURRENT ASSETS		<u>1,570,983</u>	<u>1,317,629</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,273,376</u>	<u>8,203,965</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		1,634,195	1,582,652
Deferred tax liabilities		6,391	4,719
Total non-current liabilities		<u>1,640,586</u>	<u>1,587,371</u>
Net assets		<u>7,632,790</u>	<u>6,616,594</u>
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	11	116,736	115,016
Reserves		5,943,700	5,133,063
Proposed final dividend	7	175,105	138,019
		<u>6,235,541</u>	<u>5,386,098</u>
Non-controlling interests		<u>1,397,249</u>	<u>1,230,496</u>
Total equity		<u>7,632,790</u>	<u>6,616,594</u>

NOTES

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

This financial information has been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for derivative financial instruments and an available-for-sale investment, which have been measured at fair value. This financial information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial information.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i>
HKFRS 10	<i>Consolidated Financial Statements</i>
HKFRS 11	<i>Joint Arrangements</i>
HKFRS 12	<i>Disclosure of Interests in Other Entities</i>
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12 – <i>Transition Guidance</i>
HKFRS 13	<i>Fair Value Measurement</i>
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>
HKAS 19 (2011)	<i>Employee Benefits</i>
HKAS 27 (2011)	<i>Separate Financial Statements</i>
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i>
HKAS 36 Amendments	Amendments to HKAS 36 <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i> (early adopted)
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
<i>Annual Improvements 2009-2011 Cycle</i>	Amendments to a number of HKFRSs issued in June 2012

Apart from the early adoption of HKAS 36 Amendments, 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 these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a potential impact on its results of operations and financial position.

2. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the business of manufacture and sale of casings for notebook computer and handheld devices. For management purposes, the Group operates in one business unit based on its casing products, and has one reportable operating segment.

No operating segments have been aggregated to form the above reportable operating segment.

Geographical information

(i) *Revenue from external customers:*

	2013 HK\$'000	2012 <i>HK\$'000</i>
The People's Republic of China (the "PRC"), excluding Hong Kong	8,928,386	8,850,634
The Republic of China (the "ROC")	131,605	125,374
Others	196,841	225,305
	9,256,832	9,201,313

The revenue information above is based on the locations of the customers.

(ii) *Non-current assets:*

	2013 HK\$'000	2012 <i>HK\$'000</i>
The PRC, excluding Hong Kong	7,537,523	6,724,308
The ROC	164,838	161,976
Others	32	52
	7,702,393	6,886,336

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

Information about major customers

Revenue of approximately HK\$2,613,522,000, HK\$1,944,035,000 and HK\$1,859,631,000 for the year ended 31 December 2013 was derived from sales to three major customers which contributed 10% or more sales to the Group's revenue, including sales to a group of entities which were known to be under common control with these customers.

Revenue of approximately HK\$3,009,452,000, HK\$2,242,582,000, HK\$1,836,142,000 and HK\$1,346,612,000 for the year ended 31 December 2012 was derived from sales to four major customers which contributed 10% or more sales to the Group's revenue, including sales to a group of entities which were known to be under common control with these customers.

3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, net of value-added tax and business tax, after allowances for returns and trade discounts, and after elimination of all significant intra-group transactions.

An analysis of revenue, other income and gains, is as follows:

	2013 HK\$'000	2012 HK\$'000
Revenue		
Sale of goods	9,256,832	9,201,313
Other income and gains		
Interest income	18,444	6,835
Subsidy income	19,954	8,773
Compensation income	14,421	19,626
Exchange gains, net	-	50,516
Others	13,049	14,124
	65,868	99,874

4. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2013 HK\$'000	2012 HK\$'000
Interest on bank loans and other loans wholly repayable within five years	75,844	61,993
Total interest expense on financial liabilities not at fair value through profit or loss	75,844	61,993
Less: Interest capitalised	(14,000)	-
	61,844	61,993

5. PROFIT BEFORE TAX

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

	2013 HK\$'000	2012 <i>HK\$'000</i>
Cost of inventories sold	7,334,972	7,801,819
Depreciation	667,658	589,396
Amortisation of lease premium for land	6,409	4,188
Provision/(written back of provision) for slow-moving and obsolete inventories	42,085	(11,750)
Loss on disposal of items of property, plant and equipment, net	37,934	17,493
Foreign exchange gains, net	(5,999)	(45,331)
Unrealised fair value losses/(gains) on derivative financial instruments, net	19,345	(5,185)
	■■■■■■■■■■	■■■■■■■■■■

6. INCOME TAX

Hong Kong profits tax has not been provided as the Group did not have any assessable profits arising in Hong Kong during the year (2012: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2013 HK\$'000	2012 <i>HK\$'000</i>
Provision for the year		
Current – The PRC, excluding Hong Kong		
Charge for the year	225,591	93,207
Underprovision in prior years	5,607	5,655
Current – Overseas		
Charge for the year	35,881	43,953
Overprovision in prior years	(11,210)	(11,263)
Tax refund	-	(2,483)
Deferred tax	(480)	(480)
Total tax charge for the year	255,389	128,589
	■■■■■■■■■■	■■■■■■■■■■

During the year, an amount of HK\$51,062,000 withholding tax had been paid by the Group in relation to the repatriation of dividends declared by certain subsidiaries of the Company in the PRC (2012: Nil).

7. DIVIDENDS

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Additional final dividend for prior year (note (a))	-	1,006
Proposed final – HK15 cents (2012: HK12 cents) per ordinary share (note (b))	<u>175,105</u> <u>175,105</u>	<u>138,019</u> <u>139,025</u>

Notes:

- (a) Subsequent to the approval of the 2011 financial statements and prior to the book close period of the 2011 final dividends, additional 12,580,000 ordinary shares were issued by the Company as a result of the exercise of share options by certain employees. Accordingly, an additional 2011 final dividend amounted to HK\$1,006,000 was paid in 2012.
- (b) The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the year attributable to equity holders of the Company of HK\$762,173,000 (2012: HK\$600,959,000) and the weighted average number of 1,152,141,638 (2012: 1,129,562,984) ordinary shares in issue during the year.

The calculation of diluted earnings per share amounts is based on the profit for the year attributable to equity holders of the Company of HK\$762,173,000 (2012: HK\$600,959,000). The weighted average number of ordinary shares used in the calculation is the 1,152,141,638 (2012: 1,129,562,984) ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of 59,581,746 (2012: 45,170,853) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

9. TRADE RECEIVABLES

The general credit terms of the Group range from 90 days to 120 days. Trade receivables are non-interest-bearing.

An aged analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2013 HK\$'000	2012 HK\$'000
Within 3 months	2,799,468	2,390,759
4 to 6 months	1,075,086	846,598
7 to 12 months	79,223	2,014
	<u>3,953,777</u>	<u>3,239,371</u>

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

	2013 HK\$'000	2012 HK\$'000
Neither past due nor impaired	3,290,060	2,926,550
1 to 3 months past due	597,330	311,673
4 to 6 months past due	66,387	661
7 to 12 months past due	-	487
	<u>3,953,777</u>	<u>3,239,371</u>

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

The trade payables are non-interest-bearing and are normally settled on 90 to 120 days terms.

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

	2013 HK\$'000	2012 HK\$'000
Within 3 months	1,311,382	1,242,533
4 to 6 months	218,815	357,014
7 to 12 months	8,285	15,088
Over 1 year	16,447	14,635
	<u>1,554,929</u>	<u>1,629,270</u>

11. SHARE CAPITAL

	2013 HK\$'000	2012 HK\$'000
Authorised:		
2,000,000,000 shares of HK\$0.1 each	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:		
1,167,366,000 (2012: 1,150,162,000) shares of HK\$0.1 each	<u>116,736</u>	<u>115,016</u>

During the year, the movements in share capital were as follows:

	Number of shares in issue of HK\$0.1 each	Issued capital HK\$'000	Share premium account HK\$'000	Total HK\$'000
At 1 January 2012	1,118,972,000	111,897	672,155	784,052
Share options exercised under the share option scheme (note)	31,190,000	3,119	35,496	38,615
	<u>1,150,162,000</u>	<u>115,016</u>	<u>707,651</u>	<u>822,667</u>
Transfer from employee share-based compensation reserve	-	-	50,654	50,654
Proposed final dividend	-	-	(38,342)	(38,342)
At 31 December 2012 and 1 January 2013	<u>1,150,162,000</u>	<u>115,016</u>	<u>719,963</u>	<u>834,979</u>
Share options exercised under the share option scheme (note)	17,204,000	1,720	14,967	16,687
	<u>1,167,366,000</u>	<u>116,736</u>	<u>734,930</u>	<u>851,666</u>
Transfer from employee share-based compensation reserve	-	-	31,069	31,069
Proposed final dividend	-	-	(175,105)	(175,105)
At 31 December 2013	<u>1,167,366,000</u>	<u>116,736</u>	<u>590,894</u>	<u>707,630</u>

Note:

During the year, the Company issued a total of 17,204,000 (2012: 31,190,000) shares at exercise price(s) of HK\$0.97 (2012: ranging from HK\$0.97 to HK\$1.56) per share pursuant to the exercise of options granted under the share option scheme of the Company, resulting in the issue of 17,204,000 (2012: 31,190,000) shares of HK\$0.1 each for a total cash consideration, before expenses, of HK\$16,687,000 (2012: HK\$38,615,000). A total of HK\$31,069,000 (2012: HK\$50,654,000) was transferred from the employee share-based compensation reserve to the share premium account upon the exercise of the share options.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review & Prospects

For the year of 2013, the recovery of global economy remained fragile, and continued affecting the entire market. Nevertheless, as shown by the relevant figures published by International Data Corporation (“**IDC**”), the overall shipments of personal computers (“**PC**”), smartphones and tablet PCs rose by approximately 27.8% during the year, driven by the growth of sales for smartphones and tablet PCs. On the other hand, the PC market remained low. A report released by Gartner Consulting Inc. (“**Gartner**”) showed that in 2013, global PC shipments fell by approximately 8.4% year on year. Furthermore, the report of Gartner also stated that, as of the fourth quarter of 2013, the sales of PC worldwide saw the seventh consecutive quarter of decline. However, such decline became stable, so did the overall PC market. Thanks to the Company’s flexible business strategies and diversified product portfolio, Ju Teng’s performance maintained growth in a stable pace in the aforesaid market dynamic.

As for notebook computer, in spite of the continued downward trend of the global PC market, notebook computer casing remained to be the main contributor of Ju Teng’s revenue in 2013. As a world’s leading notebook computer casings manufacturer, Ju Teng secured stable market share in the plastic casings market. The plastic casings business continued to be the major source of income. In respond to the changing demands in the market, Ju Teng will enrich its spectrum of products, develop technologies with wider variety of materials, as well as reduce its costs, with a view towards the maximization of profit.

According to IDC, global smartphone shipments grew by approximately 38.4% in 2013. Ju Teng captured opportunities arising from the growing smartphone market and tapped into the smartphone casings market in August 2013. The phone casing products developed by Ju Teng are light and thin, with high selling prices and high gross profit. Furthermore, riding on the large market share of Ju Teng in the notebook computer casings market, the Company will be able to penetrate the mobile phone casings market quickly. No doubt the mobile phone casings segment contributed to the Company’s revenue in the second half of the year.

In terms of tablet PCs, global shipments in 2013 achieved an increase of approximately 53% according to Gartner. Ju Teng, kept abreast of the market changes, and captured the trend during development of its tablet PC casing business. Ju Teng targeted the mid-price market in this segment and received positive market feedback. Sales of tablet PC casing products are expected to achieve a steady growth in 2014.

As Microsoft announced the launch of Windows 8 as well as ceasing the support to Windows XP, the PC market is expected to remain steady in 2014. Therefore, Ju Teng’s notebook computer casings are expected to see a stable performance. Also, thanks to the launch of Windows 8, touch-screen notebook computer became more popular. Ju Teng believes that composite materials are the direction of future development in the casings industry and pioneered to the research and development of composite material casings, in an attempt to promote its business in composite materials ahead other competitors in the market. The profit margin for composite material casings is relatively higher, which are expected to optimize the profit structure of the Company.

In addition to developing casing technology of new materials, Ju Teng will continue to develop plastic and metal casings which have been the two main products of the Company. With the Group's outstanding product quality, plastic casings enjoyed a steadily rising market share, contributing to a continuing stable turnover in 2014. In addition, with regards to the increasing demand in the metal casing market, the Company will continue its pace in the development of the production therefor, such as establishing new plants in Chongqing and development of new products, with a view to enlarging its market share.

In terms of market share, Ju Teng is one of the largest plastic casing manufacturers. In terms of technology, Ju Teng masters the techniques in both metal and composite material casing. Therefore, Ju Teng has maintained its leading position being a one-stop casing solution provider for notebook computers, tablet PCs, and smartphone. While maintaining its stable growth in each segment, Ju Teng will keep abreast of the market trends, proactively manage its product portfolio, focusing on the development of products with high demand and profit margin. Also, Ju Teng will enhance its marketing to secure a larger market share for another year of satisfying results.

Financial Review

During the year, attributable to the Group's continuing strategy to launch new products with higher price tags and boosting its metal and composite materials casings operation, which offset the sluggish demand for notebook computers, there was a slight increase of the Group's revenue of approximately 0.6% to approximately HK\$9,257 million (2012: HK\$9,201 million). However, the overall gross profit margin rose substantially to approximately 20.2% (2012: 15.2%).

Due to the expansion of the production capacity of production plants in Sichuan Province and Jiangsu Province, the Group recorded an increase of approximately 9.3% in operating costs including administrative expenses, and selling and distribution costs to approximately HK\$683 million (2012: HK\$624 million), accounting for approximately 7.4% (2012: 6.8%) of the Group's turnover.

Due to the record of losses on disposal of property, plant and equipment, and the exchange losses arising from trade receivables as a result of the depreciation in value of United States dollar ("**USD**") against Renminbi ("**RMB**"), the Group recorded an increase of approximately 134.8% in other expenses to approximately HK\$62 million (2012: HK\$26 million), accounting for approximately 0.7% (2012: 0.3%) of the Group's turnover.

Finance costs for the year, which amounting to approximately HK\$62 million (2012: HK\$62 million), was in line with that of 2012. Interest capitalized during the year at approximately HK\$14 million (2012: nil).

Income tax expenses increased by approximately 98.6% to approximately HK\$255 million (2012: HK\$129 million) for the year as compared to that of 2012, which was mainly attributable to the increase of profit before tax and the incurrence of an one-off withholding tax expense in the amount of approximately HK\$51 million (2012: nil) in relation to the repatriation of dividends declared by certain subsidiaries of the Company in the PRC.

The profit attributable to equity holders for the year amounted to approximately HK\$762 million (2012: HK\$601 million), representing an increase of approximately 26.8% when compared to that of last year. Had the one-off withholding tax expense as mentioned above not incurred, the profit attributable to equity holders for the year would have reached approximately HK\$813 million, representing an increase of approximately 35.3% when compared to that of last year (these combined figures were computed based on the sum of the profit attributable to equity holders of the Company for the year as set out in the consolidated statement of profit or loss for the year and the amount of HK\$51,062,000 of withholding tax as set out in note 6 to the financial information. These combined figures are for illustrative purpose only. Because of their nature, these combined figures may not give a true picture of the financial position or results of the Group that would have occurred had the one-off withholding tax expense did not incur). The increase in the profit attributable to equity holders was mainly attributable to the increase in the Group's gross profit margin.

Liquidity and Financial Resources

As at 31 December 2013, total bank borrowings of the Group amounted to approximately HK\$4,298 million (31 December 2012: HK\$4,082 million), representing an increase of approximately 5.3% as compared to that of 31 December 2012. The Group's bank borrowings include short-term loans with 1-year maturity, 2-year term loans and 3-year revolving syndicated loans. As at 31 December 2013, the Group's bank loans denominated in USD and New Taiwan Dollars with carrying amount of approximately HK\$4,231 million (31 December 2012: HK\$4,028 million) and approximately HK\$67 million (31 December 2012: HK\$54 million) respectively.

During the year, the Group's cashflow from operating activities increased to approximately HK\$1,056 million from approximately HK\$411 million last year due to an increase in profit before tax, a decrease in prepayments, deposits and other receivables, and an increase in other payables and accruals. As a result of the purchase of fixed assets for the expansion of production plants in Sichuan Province and Jiangsu Province, the Group recorded a net cash outflow used in investing activities of approximately HK\$1,292 million (2012: HK\$1,344 million). During the year, due to the additional bank loans obtained to finance the expansion, the Group recorded a net cash inflow from financing activities of approximately HK\$95 million (2012: HK\$1,408 million). As at 31 December 2013, the Group had cash and bank balances of approximately HK\$1,061 million (31 December 2012: HK\$1,163 million).

As at 31 December 2013, the Group's gearing ratio, calculated as total bank borrowings of approximately HK\$4,298 million (31 December 2012: HK\$4,082 million) divided by total assets of approximately HK\$14,718 million (31 December 2012: HK\$13,249 million) was 29.2% (31 December 2012: 30.8%). The gearing ratio was slightly decreased due to the increase in total assets.

Pledge of Assets

As at 31 December 2013 and 31 December 2012, the Group did not have any leasehold land and buildings and machinery pledged to secure banking facilities granted to the Group.

As at 31 December 2013 and 31 December 2012, shares of certain subsidiaries of the Company were pledged to secure banking facilities granted to the Group.

Foreign Exchange Exposure

Since most of the Group's revenue is denominated in USD and most of the Group's expenses are denominated in RMB, the appreciation of value of RMB will have adverse effect on the Group's profitability. Accordingly, the Group has entered into forward foreign exchange contracts to mitigate possible exchange losses in relation to the fluctuations in the values of the USD and RMB.

Employees

As at 31 December 2013, the Group had approximately 36,000 employees (31 December 2012: 32,000 employees). The Group recorded staff costs of approximately HK\$2,034 million (2012: HK\$1,741 million).

The Group's employees are remunerated in line with the prevailing market terms and individual performance, with the remuneration package and policies reviewed on a regular basis. Discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and the individual employee. The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme for its employees in Hong Kong, and provides its PRC employees with welfare schemes as required by the applicable laws and regulations of the PRC.

Capital Commitment

As at 31 December 2013, the capital commitments which the Group had contracted for but were not provided for in the financial information in respect to the acquisition of land, buildings and machineries amounted to approximately HK\$877 million (31 December 2012: HK\$214 million).

As at 31 December 2013, the capital commitments which the Group had authorized for but were not contracted for in the financial information in respect to the acquisition of land amounted to approximately HK\$70 million (31 December 2012: nil).

Contingent Liabilities

As at 31 December 2013, the Group did not have any significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK\$0.15 per share in respect of the year ended 31 December 2013 (2012: HK\$0.12 per share) to shareholders whose names appear on the register of members of the Company on 21 May 2014.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining members who are qualified for attending the forthcoming annual general meeting of the Company, the register of members of the Company will be closed from 13 May 2014 to 14 May 2014, both days inclusive, during which no transfer of shares can be registered. To qualify for the attendance at the forthcoming annual general meeting of the Company, shareholders must ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, (the “**Branch Share Registrar**”) at the following address no later than 4:30 p.m. on 12 May 2014.

Before 31 March 2014: 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong

From 31 March 2014 onwards: Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong

For the purpose of determining members who are qualified for the proposed final dividend for the year ended 31 December 2013, and conditional on the passing of the resolution approving the declaration of the final dividend by the shareholders in the forthcoming annual general meeting of the Company, the register of members of the Company will also be closed from 20 May 2014 to 21 May 2014, both days inclusive, during which no transfer of shares can be registered. To qualify for the final dividend (which will be payable on or about 27 May 2014) to be approved at the annual general meeting of the Company, shareholders must ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at the above address no later than 4:30 p.m. on 19 May 2014.

CORPORATE GOVERNANCE PRACTICES

The Company continues to devote much effort on formulating and implementing sufficient corporate governance practices which it believes is crucial to its healthy growth and its business needs.

The Company has adopted the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). The Company and its corporate governance committee of the Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG Code. Save as disclosed below, the Company had complied with the code provisions of the CG Code for the year.

Code Provision A.2.1

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Cheng Li-Yu is the chairman of the Board but the Company has not appointed any chief executive officer. The day-to-day management of the business of Group and the execution of the instructions and directions of the Board are managed by the management team of the Group which comprises some of the executive Directors and the senior management of the Group. The Directors believe that the allocation of the daily management of different sectors of the Group's business amongst the senior management who possesses experiences and qualifications in different areas will enable the Group to enhance the effectiveness and efficiency of the implementation of its business plan.

The Board will continue to review the management structure from time to time and shall make necessary changes when appropriate and inform the shareholders accordingly.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted and applied a code of conduct regarding the Directors' securities transaction on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Company is satisfied that all the Directors have fully complied with the required standards set out in the Model Code and the code of conduct of the Company for the year.

AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting policies, accounting standards and practices adopted by the Group and the consolidated financial information and results of the Group for the year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website (<http://www.irasia.com/listco/hk/juteng>) and the Hong Kong Stock Exchange's website (<http://www.hkexnews.hk>). The 2013 annual report will be despatched to the shareholders of the Company and will be made available on the websites of the Company and the Hong Kong Stock Exchange in due course in accordance with the Listing Rules.

By order of the Board
Ju Teng International Holdings Limited
Cheng Li-Yu
Chairman

Hong Kong, 18 March 2014

As at the date of this announcement, the executive Directors are Mr. Cheng Li-Yu, Mr. Cheng Li-Yen, Mr. Huang Kuo-Kuang, Mr. Hsieh Wan-Fu, Mr. Lo Jung-Te, and Mr. Tsui Yung Kwok, and the independent non-executive Directors are Mr. Cherng Chia-Jiun, Mr. Tsai Wen-Yu and Mr. Yip Wai Ming.