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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)

**INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012**

**Financial Highlights**

- Turnover for the six months ended 30 June 2012 reached approximately HK\$4,315 million, representing an increase of approximately 18.1%.
- Gross profit for the six months ended 30 June 2012 reached approximately HK\$590 million, representing an increase of approximately 72.0%.
- Gross profit margin for the six months ended 30 June 2012 increased to approximately 13.7% from approximately 9.4% for the six months ended 30 June 2011.
- Profit attributable to equity holders of the Company for the six months ended 30 June 2012 reached approximately HK\$244 million, representing an increase of approximately 120.2%.
- Basic earnings per share attributable to equity holders of the Company increased to approximately HK21.7 cents, representing an increase of approximately 121.4%.
- Net asset value per share attributable to equity holders of the Company as at 30 June 2012 reached approximately HK\$4.3 as compared with approximately HK\$4.2 as at 31 December 2011.

The board (the “**Board**”) of directors (the “**Directors**”) of Ju Teng International Holdings Limited (the “**Company**” or “**Ju Teng**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2012 (the “**Period**”) as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

*For the six months ended 30 June 2012*

		For the six months ended 30 June	
		2012	2011
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	Notes		
<b>REVENUE</b>	2	<b>4,315,486</b>	3,654,806
Cost of sales		<b>(3,725,901)</b>	(3,312,041)
Gross profit		<b>589,585</b>	342,765
Other income and gains	3	<b>41,959</b>	37,492
Selling and distribution costs		<b>(40,013)</b>	(37,548)
Administrative expenses		<b>(244,379)</b>	(202,133)
Other expenses		<b>(6,921)</b>	(2,835)
Finance costs	4	<b>(32,429)</b>	(19,844)
Share of loss of an associate		-	(3,240)
<b>PROFIT BEFORE TAX</b>	5	<b>307,802</b>	114,657
Income tax expense	6	<b>(55,843)</b>	(16,637)
<b>PROFIT FOR THE PERIOD</b>		<b>251,959</b>	98,020
Attributable to:			
Equity holders of the Company		<b>243,893</b>	110,742
Non-controlling interests		<b>8,066</b>	(12,722)
		<b>251,959</b>	98,020
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>			
	8		
- Basic (HK cents)		<b>21.7</b>	9.8
- Diluted (HK cents)		<b>21.5</b>	9.7

Details of dividend for the Period are disclosed in note 7.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the six months ended 30 June 2012*

	<b>For the six months ended 30 June</b>	
	<b>2012</b>	<b>2011</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>PROFIT FOR THE PERIOD</b>	<b>251,959</b>	<b>98,020</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Exchange differences on translation of foreign operations	<b>(55,799)</b>	104,310
Available-for-sale investment:		
Change in fair value	<b>647</b>	(12,985)
Income tax effect	<b>(379)</b>	2,176
	<u><b>268</b></u>	<u>(10,809)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<u><b>(55,531)</b></u>	<u>93,501</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<u><b>196,428</b></u>	<u>191,521</u>
Attributable to:		
Equity holders of the Company	<b>195,679</b>	184,777
Non-controlling interests	<b>749</b>	6,744
	<u><b>196,428</b></u>	<u>191,521</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2012

		30 June 2012 (Unaudited) HK\$'000	31 December 2011 (Audited) HK\$'000
	Notes		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		6,309,223	5,804,675
Lease premium for land		164,449	169,154
Goodwill		39,494	37,894
Investment in an associate		-	(772)
Prepayments for acquisition of property, plant and equipment		181,981	309,492
Available-for-sale investments		25,383	24,768
Total non-current assets		<u>6,720,530</u>	<u>6,345,211</u>
<b>CURRENT ASSETS</b>			
Inventories		1,204,242	1,029,348
Trade receivables	9	2,943,081	2,731,863
Prepayments, deposits and other receivables		627,095	558,292
Derivative financial instruments		4,010	9,970
Pledged bank balances and time deposits		29,317	43,347
Cash and cash equivalents		450,875	654,492
Total current assets		<u>5,258,620</u>	<u>5,027,312</u>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	10	2,010,792	1,795,876
Other payables and accruals		817,443	921,614
Tax payable		159,676	130,492
Interest-bearing bank borrowings	11	2,145,721	540,877
Total current liabilities		<u>5,133,632</u>	<u>3,388,859</u>
<b>NET CURRENT ASSETS</b>		<u>124,988</u>	<u>1,638,453</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,845,518</u>	<u>7,983,664</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings	11	791,061	2,081,154
Deferred tax liabilities		3,938	3,799
Total non-current liabilities		<u>794,999</u>	<u>2,084,953</u>
Net assets		<u>6,050,519</u>	<u>5,898,711</u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	12	113,155	111,897
Reserves		4,770,381	4,540,255
Proposed final dividend		-	89,518
		<u>4,883,536</u>	<u>4,741,670</u>
<b>Non-controlling interests</b>		<u>1,166,983</u>	<u>1,157,041</u>
Total equity		<u>6,050,519</u>	<u>5,898,711</u>

## NOTES

### 1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICY AND DISCLOSURE

The condensed consolidated interim financial information for the Period has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The accounting policies and basis of preparation adopted in the preparation of the interim financial information are the same as those used in the annual financial statements for the year ended 31 December 2011, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) that affect the Company and the Group and has adopted for the first time for the current period’s financial information:

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes – Deferred Tax: Recovery of Underlying Asset</i>

Adoption of these new HKFRSs did not have any material effect on the financial position or performance of the Group.

### 2. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the business of manufacture and sale of notebook computer casings. 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

*Revenue from external customers:*

	<b>For the six months ended 30 June</b>	
	<b>2012</b>	<b>2011</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$’000</b>	<b>HK\$’000</b>
The People’s Republic of China (the “PRC”), excluding Hong Kong	<b>4,170,062</b>	3,248,829
The Republic of China	<b>119,182</b>	125,913
Others	<b>26,242</b>	280,064
	<b>4,315,486</b>	<b>3,654,806</b>

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

### 3. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2012</b>	<b>2011</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest income	3,211	10,741
Exchange gains, net	30,410	22,533
Subsidy income	4,915	-
Others	3,423	4,218
	<b>41,959</b>	<b>37,492</b>

### 4. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2012</b>	<b>2011</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on bank loans and other loans wholly repayable within five years	<b>32,429</b>	<b>19,844</b>

### 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	<b>For the six months ended 30 June</b>	
	<b>2012</b>	<b>2011</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Cost of inventories sold	3,702,666	3,291,138
Depreciation	273,190	243,870
Amortisation of lease premium for land	2,489	1,572
Losses on disposal of items of property, plant and equipment, net	4,106	1,310
Provision for slow-moving and obsolete inventories	16,198	15,622

## 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 Period (six months ended 30 June 2011: 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.

	<b>For the six months ended 30 June</b>	
	<b>2012</b>	<b>2011</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Provision for the Period		
Current – The PRC, excluding Hong Kong		
Charge for the Period	<b>39,207</b>	17,612
Underprovision/(overprovision) in prior years	<b>3,608</b>	(314)
Current – Overseas		
Charge for the Period	<b>21,465</b>	12,289
Overprovision in prior years	<b>(5,717)</b>	(5,465)
Tax refund	<b>(2,480)</b>	(7,245)
Deferred tax	<b>(240)</b>	(240)
Total tax charge for the Period	<b><u>55,843</u></b>	<b><u>16,637</u></b>

## 7. INTERIM DIVIDEND

The Directors did not propose to declare an interim dividend for the Period (six months ended 30 June 2011: Nil).

## 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 Period attributable to equity holders of the Company of HK\$243,893,000 (six months ended 30 June 2011: HK\$110,742,000) and the weighted average number of 1,123,257,495 (six months ended 30 June 2011: 1,132,914,000) ordinary shares in issue during the Period.

The calculation of diluted earnings per share amounts is based on the profit for the Period attributable to equity holders of the Company of HK\$243,893,000 (six months ended 30 June 2011: HK\$110,742,000). The weighted average number of ordinary shares used in the calculation is the 1,123,257,495 (six months ended 30 June 2011: 1,132,914,000) ordinary shares in issue during the Period, as used in the basic earnings per share calculation, and the weighted average number of 13,053,272 (six months ended 30 June 2011: 9,583,543) 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:

	<b>As at 30 June 2012 (Unaudited) HK\$'000</b>	<b>As at 31 December 2011 (Audited) HK\$'000</b>
Within 3 months	<b>2,610,657</b>	2,187,962
4 to 6 months	<b>320,052</b>	529,699
7 to 12 months	<b>12,372</b>	12,505
Over 1 year	<b>-</b>	1,697
	<b><u>2,943,081</u></b>	<b><u>2,731,863</u></b>

## 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:

	<b>As at 30 June 2012 (Unaudited) HK\$'000</b>	<b>As at 31 December 2011 (Audited) HK\$'000</b>
Within 3 months	<b>1,724,498</b>	1,401,440
4 to 6 months	<b>261,585</b>	373,669
7 to 12 months	<b>11,482</b>	7,360
Over 1 year	<b>13,227</b>	13,407
	<b><u>2,010,792</u></b>	<b><u>1,795,876</u></b>

## 11. INTEREST-BEARING BANK BORROWINGS

Certain of the Group's subsidiaries entered into two US\$120 million (equivalent to HK\$931 million) three-year term loan facility agreements dated 5 March 2010, which are repayable in June 2013. However, each of the term loan facility agreements contains an extension option giving the borrower a right to request for extending the maturity day of the loan facilities by two years, subject to the confirmations of the lending banks. These subsidiaries have exercised the extension options by sending the extension requests to the lending banks in August 2012. As at the date of this announcement, the extension requests are still under review by the lending banks.



Had the extension requests been agreed by the lending banks, interest-bearing bank borrowings amounting to US\$144 million (equivalent to HK\$1,117 million) would have been reclassified from current liabilities to non-current liabilities as at 30 June 2012.

As at 30 June 2012, the Group had unutilised banking facilities of approximately HK\$3,291 million which would have been sufficient to finance the repayment of the two US\$120 million term loan facilities should the extension requests had not been agreed by the lending banks.

## 12. SHARE CAPITAL

	<b>As at 30 June 2012 (Unaudited) HK\$'000</b>	<b>As at 31 December 2011 (Audited) HK\$'000</b>
Authorised:		
2,000,000,000 shares of HK\$0.1 each	<b><u>200,000</u></b>	<u>200,000</u>
Issued and fully paid:		
1,131,552,000 (31 December 2011: 1,118,972,000) shares of HK\$0.1 each	<b><u>113,155</u></b>	<u>111,897</u>

During the Period, 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 31 December 2011 and 1 January 2012	1,118,972,000	111,897	672,155	784,052
Share options exercised under the share option scheme*	<u>12,580,000</u>	<u>1,258</u>	<u>18,367</u>	<u>19,625</u>
	1,131,552,000	113,155	690,522	803,677
Transfer from employee share-based compensation reserve	<u>-</u>	<u>-</u>	<u>11,729</u>	<u>11,729</u>
At 30 June 2012	<b><u>1,131,552,000</u></b>	<b><u>113,155</u></b>	<b><u>702,251</u></b>	<b><u>815,406</u></b>

\* On 30 April 2012, the Company issued 12,580,000 shares at HK\$1.56 per share pursuant to the exercise of options under a share option scheme, resulting in the issue of 12,580,000 shares of HK\$0.1 each for a total cash consideration, before expenses, of HK\$19,625,000. An amount of HK\$11,729,000 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 & Prospect

In the first half of 2012, gloomy clouds hover over world economy as the U.S. economy showed little signs of recovery and the European sovereign debt crisis continued to unfold while emerging market economies experienced a slowdown, which inevitably dampened consumer confidence and sales of personal computers. Nevertheless, Ju Teng recorded an impressive growth in both sales and profit with the former rose approximately 18.1% to approximately HK\$4,315 million while the latter climbed approximately 120.2% to approximately HK\$244 million year on year during the Period. The growth was mainly attributable to the Group's proactive strategies in response to changes in the industry. Last year, Ju Teng decided to withdraw from the high-volume, low-price game and shifted the focus to introducing new notebook computer casings that fetched higher gross profit margins. Furthermore, since the Group embarked on an aggressive expansion program for metal casings, its overall gross profit margin rose from approximately 9.4% recorded in the same period last year to approximately 13.7%.

During the Period, Ju Teng expanded its metal casing operation by acquiring additional computer numerical control machines so that the total number of computer numerical control machines reached 2,500 units. This strategic move helped Ju Teng's penetration into the high-end market. For instance, the Group obtained orders for aluminum unibody casings from a new Korean customer. Besides, Ju Teng also stepped up its cooperation with existing customers by providing more metal casing solutions, thereby boosting orders for metal casings. During the Period, metal casings accounted for approximately 20% of the Group's revenue.

In addition, Ju Teng also made a significant improvement in its plastic casing business. Due to intense price wars in the casing industry last year, some loss-making casing manufacturers ceased operation, which helped restore balance of supply and demand of the market and reduce the price fluctuation gradually. In view of these developments in the industry, Ju Teng pushed ahead with its price hike policy by launching more new products to replace the old ones and leveraged its competitive advantages as a market leader to obtain more orders, thereby enhancing the Group's sales and market share in the plastic casing segment.

As a market leader, Ju Teng has also put a lot of resources in the research and development of casing technologies for different materials. The Group teamed up with a Japanese company two years ago to develop carbon fiber casing and is now improving its yield rate in preparation for mass production. In addition, Ju Teng has also mastered the technology of fiberglass casing that already commenced production with small shipments made during the Period. Although carbon fiber and fiberglass casings only made a small contribution to the Group's revenue during the Period due to their low market penetration, management believes that these cutting-edge technologies help the Group maintain its leadership as a professional one-stop casing solution provider and tap into growing demands for slim casings made with a combination of materials, which will ultimately enhance the Group's competitive advantages and results in the future.

Apart from technological advancement, Ju Teng also continued its production expansion plan to solidify its leading position in the industry. The first phase of the Group's new factory in Neijiang City, Sichuan Province, has already commenced operation in early 2012, boasting an annual production capacity of 3 million plastic and metal casings, while the second phase of the factory has also commenced construction. During the Period, Ju Teng operated seven factories with an annual production capacity reaching approximately 88 million units.

Looking ahead to the second half of 2012, the Group will continue enhancing its gross profit margin and revenue. The Group aims to achieve better product mix by expanding its metal casing segment further. The expansion of metal casing production is expected to enhance the Group's overall gross profit and profitability. In addition, the Group will also speed up the construction of the second phase of its production plant in Neijiang City, which is expected to commence production later this year. By then, this factory will command an annual production capacity of 9 million units and accommodate increasing orders for mixed material casings combining plastic and metal, which will be beneficial to the Group's revenue growth.

In respect of operating costs, due to the closing down and/or relocation of many factories overseas caused by sharp wage increases and intense labour shortages in previous years, Chinese workers' salary increase has slowed down and the labour shortage problem has been alleviated this year. Moreover, the upward trend of Renminbi ("RMB") exchange rate has weakened recently as we witnessed a slight decline of RMB against U.S. dollars ("USD"). Management believes that these developments can help ease the cost pressure felt by the Group last year, which will in turn boost gross profit margin and revenue growth.

In respect of industry trends, management identifies three major factors beneficial to the growth of notebook computer industry as well as Ju Teng for the second half of 2012. First of all, Microsoft has already announced that Windows 8 operating system will be launched in October 2012. Equipped with enhanced interface and features including touch screen commands and energy-saving designs most suitable for notebook computers and tablet PCs, Windows 8 is expected to stimulate replacement demands in the market. Secondly, it is likely that the price of Ultrabook will drop to a competitive level from the current USD1,000 per set, thanks to Intel's tremendous push for cost reduction of Ultrabook via concerted efforts of its component suppliers. The pricing factor coupled with support of Windows 8 operating system will strengthen Ultrabook's appeal to consumers who are willing to pay for its sleek casing and powerful features. Thirdly, Tablet PC's development will be boosted by the rollout of Windows 8. Last year, Apple iPad dominated the tablet market while many computer brands failed in their attempts to gain satisfactory share in this segment by selling comparable products. Nevertheless, the sales success of Samsung Galaxy Tab, Amazon Kindle Fire and Google Nexus 7 highlighted the growth potential of tablet market, which led many PC manufacturers to reshape their strategies in preparation for the launch of tablet PCs running Windows 8 that is expected to help them gain a larger market share. In response to these trends, Ju Teng will maintain its close cooperation with clients and provide more notebook computer casing solutions, thereby boosting the Group's sales and sustainable growth.

## Financial Review

During the Period, the Group continued its strategy to launch new products with higher price tags and boosted its metal casing operation, which resulted in an increase of approximately 18.1% to approximately HK\$4,315 million (2011: HK\$3,655 million). The overall gross profit margin also rose to approximately 13.7% (2011: 9.4%).

Due to the establishment of a new production plant in Sichuan Province, the Group recorded an increase of approximately 20.1% in operating costs and other operating expenses, including administrative expenses, selling and distribution costs and other expenses to approximately HK\$291 million (2011: HK\$243 million), accounting for approximately 6.8% (2011: 6.6%) of the Group's turnover.

Finance costs increased by approximately 63.4% to approximately HK\$32 million (2011: HK\$20 million) for the Period as compared to that of the same period in 2011, which was due to an increase in bank borrowings.

The profit attributable to equity holders for the year amounted to approximately HK\$244 million (2011: HK\$111 million), representing an increase of approximately 120.2% when compared to same period last year, which was mainly attributable to the increase in the Group's turnover and gross profit margin.

## Liquidity and Financial Resources

As at 30 June 2012, total bank borrowings of the Group amounted to approximately HK\$2,937 million (31 December 2011: HK\$2,622 million), representing an increase of approximately 12.0% as compared to that of 31 December 2011. The Group's bank borrowings include short-term loans with 1-year maturity and 3-year revolving syndicated loans. As at 30 June 2012, the Group's bank loans denominated in USD and New Taiwan Dollars are carrying the amounts of approximately HK\$2,924 million (31 December 2011: HK\$2,609 million) and approximately HK\$13 million (31 December 2011: HK\$13 million) respectively.

During the Period, the Group's cashflow from operating activities decreased to approximately HK\$234 million from HK\$381 million during the same period last year due to an increase in inventories and trade receivables. As a result of the purchase of fixed assets to expand its production capacity in metal casings and construction of a new production plant in Sichuan Province, the Group recorded a net cash outflow from investing activities of HK\$653 million (2011: HK\$386 million). During the Period, due to additional bank loans obtained to finance the expansion, the Group recorded a net cash inflow from financing activities of approximately HK\$244 million (2011: net cash outflow of HK\$322 million). As at 31 June 2012, the Group had cash and bank balances of approximately HK\$451 million (31 December 2011: HK\$654 million).

As at 30 June 2012, the Group's gearing ratio, calculated as total bank borrowings of approximately HK\$2,937 million (31 December 2011: HK\$2,622 million) divided by total assets of approximately HK\$11,979 million (31 December 2011: HK\$11,373 million) was 24.5% (31 December 2011: 23.1%). The gearing ratio was increased due to the increase in bank borrowings.

## **Pledge of Assets**

As at 30 June 2012 and 31 December 2011, the Group did not have any leasehold land and buildings and machinery pledged to secure banking facilities granted to the Group.

As at 30 June 2012 and 31 December 2011, shares of certain subsidiaries of the Group 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 30 June 2012, the Group had approximately 36,000 employees (30 June 2011: 36,000 employees). The Group recorded staff costs of approximately HK\$821 million (2011: HK\$711 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 30 June 2012, 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\$740 million (31 December 2011: HK\$560 million).

## **Contingent Liabilities**

As at 30 June 2012, 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 Period.

## **INTERIM DIVIDEND**

The Directors do not recommend the payment of interim dividend for the Period.

## **CORPORATE GOVERNANCE PRACTICES**

The Company continues to devote much effort on formulating the 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 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 throughout the Period.

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. Details of the considered reasons for such deviation had been set out in the corporate governance report contained in the Company's annual report of the year ended 31 December 2011.

In light of the amendments to the Listing Rules with effect in April this year, the Company has established the corporate governance committee on 1 April 2012 with terms of reference in compliance with D.3.1 of the CG Code.

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 for the Period.

## **AUDIT COMMITTEE**

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

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim 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 2012 interim 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, 21 August 2012

*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.*