JU TENG INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3336)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2006

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 (the "Group") for the year ended 31 December 2006 with the comparative figures for the corresponding year in 2005 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2006

		The Group	
		2006	2005
	Notes	***HK$'000***	*HK$'000*
REVENUE	*4*	**3,558,282**	2,671,798
Cost of sales		**(3,053,217)**	(2,229,736)
Gross profit		**505,065**	442,062
Other income and gains	*4*	**84,792**	45,801
Selling and distribution costs		**(17,570)**	(23,667)
Administrative expenses		**(242,335)**	(191,815)
Other expenses		**(3,076)**	(3,362)
Finance costs	*5*	**(99,054)**	(59,932)
Share of profit of an associate		**4,001**	–
PROFIT BEFORE TAX	*6*	**231,823**	209,087
Tax	*7*	**(30,676)**	(16,992)
PROFIT FOR THE YEAR		**201,147**	192,095
Attributable to:			
Equity holders of the Company		**202,942**	192,095
Minority interests		**(1,795)**	–
		201,147	192,095
DIVIDEND	*11*	**–**	–
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	*8*		
– Basic (HK cents)		**20.3**	24.6
– Diluted (HK cents)		**20.3**	24.6

CONSOLIDATED BALANCE SHEET

As at 31 December 2006

		The Group	
		2006	2005
	Notes	***HK$'000***	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,478,907**	1,159,704
Lease premium for land		**22,489**	15,956
Goodwill		**1,065**	–
Interest in an associate		**24,745**	–
Deferred tax assets		**5,296**	3,913
Prepayments for acquisition of investments		**–**	33,462
Total non-current assets		**1,532,502**	1,213,035
CURRENT ASSETS			
Inventories		**654,646**	764,963
Trade receivables	*9*	**942,770**	797,530
Factored trade receivables	*9*	**373,698**	502,067
Prepayments, deposits and other receivables		**153,088**	65,313
Available-for-sale investment		**74,210**	–
Derivative financial instruments		**8,079**	3,565
Pledged bank balances and time deposits		**156,491**	30,993
Cash and cash equivalents		**179,547**	226,699
Total current assets		**2,542,529**	2,391,130
CURRENT LIABILITIES			
Trade and bills payables	*10*	**819,802**	629,985
Other payables and accruals		**348,491**	289,137
Tax payable		**87,996**	63,730
Bank advances on factored trade receivables		**393,946**	512,477
Interest-bearing bank borrowings		**838,045**	343,102
Total current liabilities		**2,488,280**	1,838,431
NET CURRENT ASSETS		**54,249**	552,699
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,586,751**	1,765,734
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**2,056**	526,260
Net assets		**1,584,695**	1,239,474
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		**100,000**	100,000
Reserves		**1,451,005**	1,139,474
		1,551,005	1,239,474
Minority interests		**33,690**	–
Total equity		**1,584,695**	1,239,474

NOTES

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, 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 available-for-sale investment, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these financial statements.

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKAS 39 Amendment	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 Amendment	The Fair Value Option
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease

3. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

(a) Business segments

The Group was principally engaged in the manufacture and sale of notebook computer casings. Therefore, no further business segment analysis is presented.

(b) Geographical segments

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of customers, and assets are attributed to the segments based on the location of assets.

The following tables present revenue, certain assets and capital expenditure information for the Group's geographical segments for the years ended 31 December 2006 and 2005.

Segment revenue from external customers:

	2006 *HK$'000*	2005 *HK$'000*
Mainland China	**3,139,955**	2,415,718
The Republic of China ("ROC")	**414,601**	244,315
Others	**3,726**	11,765
	3,558,282	2,671,798

Segment assets:

	2006 *HK$'000*	2005 *HK$'000*
Mainland China	**3,570,329**	3,180,921
The ROC	**489,648**	290,873
Others	**15,054**	132,371
	4,075,031	3,604,165

Segment capital expenditure:

	2006	2005
	HK$'000	*HK$'000*
Mainland China	**372,759**	385,942
The ROC	**2,732**	909
Others	**2**	25
	375,493	386,876

4. 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, business tax and government surcharges, 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:

	2006	2005
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**3,558,282**	2,671,798
Other income		
Interest income	**6,980**	2,245
Subcontracting fee income	**1,448**	2,490
Sale of scrap materials	**17,950**	10,916
Sale of used moulds	**–**	1,645
Subsidy income	**–**	1,671
Dividend income	**982**	–
Excess over the cost of acquisition of interest in an associate	**1,625**	–
Others	**5,787**	1,655
	34,772	20,622
Gains		
Exchange gains, net	**33,623**	25,179
Gain on disposal of available-for-sale investment	**16,397**	–
	50,020	25,179
	84,792	45,801

5. FINANCE COSTS

	2006	2005
	HK$'000	*HK$'000*
Interest on bank loans and other loans wholly repayable:		
Within five years	**99,026**	59,896
Over five years	**28**	36
Total interest	**99,054**	59,932

6. PROFIT BEFORE TAX

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

	2006	2005
	HK$'000	*HK$'000*
Cost of inventories sold	**3,023,051**	2,176,868
Depreciation	**129,524**	91,634
Amortisation of lease premium for land	**648**	357

7. 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. 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.

	2006	2005
	HK$'000	*HK$'000*
Provision for the year:		
Mainland China	**22,359**	11,770
Overseas	**16,811**	11,681
Tax refund	**(7,259)**	(4,719)
Deferred tax	**(1,235)**	(1,740)
Total tax charge for the year	**30,676**	16,992

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$202,942,000 (2005: HK$192,095,000) and the 1,000,000,000 (2005: weighted average number of 782,027,397) shares in issue during the year. The weighted average number of shares in issue for the prior year was calculated on the assumption that the Group reorganisation and the capitalisation issue of shares in connection with the initial public offering of the Company had been completed on 1 January 2005.

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$202,942,000 (2005: HK$192,095,000). The weighted average number of shares used in the calculation is the 1,000,000,000 (2005: weighted average number of 782,027,397) shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of 746,913 (2005: 66,953) shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential shares into 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 and factored trade receivables as at the balance sheet date, based on the invoice date, is as follows:

Trade receivables

	2006	2005
	HK$'000	*HK$'000*
Within 3 months	**712,595**	558,198
4 - 6 months	**212,986**	229,889
7 - 12 months	**8,789**	5,781
Over 1 year	**8,400**	3,662
	942,770	797,530

Factored trade receivables

	2006	2005
	HK$'000	*HK$'000*
Within 3 months	**233,772**	312,337
4 - 6 months	**139,926**	188,618
7 - 12 months	**–**	1,112
	373,698	502,067

At 31 December 2006, certain subsidiaries of the Group had factored trade receivables of HK$373,698,000 (2005: HK$502,067,000) to banks on a without-recourse basis for cash. As the subsidiaries of the Group still retained the risks and rewards associated with the delay in payment by the customers, the financial asset derecognition conditions as stipulated in HKAS 39 have not been fulfilled. Accordingly, the proceeds from the factoring of the Group's trade receivables have been accounted for as liabilities in the consolidated balance sheet.

10. TRADE AND BILLS PAYABLES

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

	2006	2005
	HK$'000	*HK$'000*
Within 3 months	**596,072**	511,356
4 - 6 months	**209,449**	91,062
7 - 12 months	**9,704**	19,424
Over 1 year	**4,577**	8,143
	819,802	629,985

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

11. DIVIDEND

No dividend has been paid or declared by the Company during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

High growth in shipment of notebook computers

As a leading global manufacturer of notebook computer casings, the Group continued to record growth in revenue in 2006. The turnover increased 33% from HK$2,672 million in 2005 to HK$3,558 million in 2006, mainly attributable to the fast growing global notebook computer market and Taiwan's share in the global market. The Group expects the notebook computer market to continue to deliver growth of over 15% each year in the coming few years bolstered by the market trend of shifting from desktop PCs to notebook computers. Taiwan manufacturers currently supply over 80% of notebook computers shipment globally and their market share is still growing after having relocated their production plants to the PRC and built the world's largest notebook supply chain in the Shanghai area. With direct presence in Jiangsu province, the Group is able to work closely with Taiwan notebook computers assembly players, including Quanta, Compal, Asustek, Wistron and Inventec to increase operational efficiency and optimise product development.

Advanced technologies

Notebook computers are gradually becoming one of the general consumer products. As a result, they need to have appealing product designs to stand out in the market. To attract maximum customers' attention, top notebook computer brands are putting greater efforts on notebook computer design and colour scheme. As a leading notebook computer casing manufacturer, the Group plays an important role in creating new looks for notebook computers. The Group has successfully developed several advanced casing technologies, such as in-mould decoration injection moulding which directly adheres film to notebook computer's plastic casing by moulding technique, thus skipping the later process of spray painting. This technology has been adopted by a number of notebook computer brand manufacturers. The Group is also highly committed to the application of advanced surface treatment technology. It is capable of spray painting that creates three-dimensional visual effects to give products more colourful and attractive appearances.

Prospects

The Group remains optimistic about the Group's performance in 2007 as we expect a strong demand for notebook computers to continue in 2007. The Group will continue to diversify the product base from notebook computer casings to casings of other electronic products by leveraging at its relationships with existing customers and utilisation of its specialized technological know-how in casing manufacturing. Recognising the importance of the ability to develop new and advanced products in the future, the Group will focus on perfecting material applications and spray painting technology. While the Group's gross profit margin has shown signs of stabilizing in 2006, it will continue to face the challenge of costs surge in the coming year triggered by rising short term interest rates, raw material price fluctuation and the appreciation of the value of Renminbi ("RMB"). The Group will strive to improve production efficiency and increase the proportion of sales from new products (such as casings made by in-mould decoration injection moulding technique) to alleviate these unfavourable effects and, on this basis, to further enhance its profitability.

Financial Review

Turnover and gross margin

The Group recorded a substantial growth in turnover of approximately 33% in 2006 as compared with that of 2005 and reached approximately HK$3,558 million in 2006. Although the Group continued to benefit from the strong growth in sales of notebook computers, its gross profit margin dropped to approximately 14.2% in 2006 from 16.5% in 2005 because of higher material costs and appreciation of value of RMB.

Operating expenses
The Group's operating costs and other operating expenses, including administrative expenses, selling and distribution costs and other operating expenses was approximately HK$263 million, representing an increase of 20% in 2006 as compared with that of 2005. Administrative expenses increased from approximately HK$192 million in 2005 to approximately HK$242 million in 2006 which was mainly attributable to the pre-operating costs of the new production plant in Kunshan and the increase in staff costs, depreciation and office utilities for the expansion of the Group's operational scale. The operating expenses were closely controlled by the management at a low level as it only accounted for approximately 7.4% (2005:8.2%) of the Group's turnover.

Financial costs
Interests on bank borrowings increased significantly by approximately 65% to approximately HK$99 million in 2006 (2005: HK$60 million) as compared with that of 2005. This was mainly due to the increase in bank borrowings and the increase in the United States dollars ("USD") and RMB bank borrowing rate during 2006.

Profit attributable to equity holders
The profit attributable to equity holders of the Company increased to approximately HK$203 million in 2006 from approximately HK$192 million in 2005. The increase in profitability was mainly resulted from the substantial growth in turnover and increase in other income including exchange gains, gain on disposal of investment and interest income.

Liquidity, financial resources and capital structure
The Group generally finances its operations with internally generated cash flow as well as banking facilities provided by its principal bankers. As at 31 December 2006, the Group's cash and bank balances amounted to approximately HK$180 million, representing a decrease of 21% as compared with that of 2005 which was attributable to the increase in the pledged bank deposits of approximately HK$156 million in 2006 (2005: HK$31 million).

As at 31 December 2006, the Group had total bank borrowings of approximately HK$840 million, which declined slightly by 3% from that of 2005. Except for an amount of approximately HK$2 million (2005: HK$526 million) which will be repayable after one year, all the bank borrowings are matured within one year. The Group's bank loans with carrying amounts of approximately HK$798 million (2005: HK$829 million), approximately HK$30 million (2005: HK$37 million), and approximately HK$12 million (2005: HK$3 million) were denominated in USD, RMB and New Taiwan dollars, respectively.

During the year, the Group entered into trade receivables factoring facilities which improved significantly the Group's cash flow from operating activities to a net cash inflow position of approximately HK$472 million (2005: HK$177 million). The Group's net decrease in cash and cash equivalents of approximately HK$50 million (2005: net increase in cash and cash equivalents of approximately of HK$78 million) was primarily attributable to the repayment of bank loans, acquisitions of fixed assets and investments, and the increase of pledged bank balances which offset the cash inflows from operating activities.

The gearing ratio of the Group, calculated as total bank borrowings of approximately HK$840 million (2005: HK$869 million) over total assets of approximately HK$4,075 million (2005: HK$3,604 million), was 21%, representing a slight improvement from 24% in 2005.

Pledge of assets

As at 31 December 2006, the Group pledged land and buildings and machinery with an aggregate carrying amount of approximately HK$604 million and bank balances and time deposits of approximately HK$133 million as securities for bank facilities.

Employees

As at 31 December 2006, the Group had approximately 26,000 employees and staff costs amounted to approximately HK$468 million (2005: HK$397 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 all its employees in Hong Kong, and provides its PRC employees with welfare schemes as required by the applicable laws and regulations of the PRC.

Foreign exchange exposure

The Group is exposed to fluctuation in foreign exchange rates. 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 adversely affect the Group's profitability. Accordingly, the Group has entered into forward foreign exchange contracts to mitigate the possible exchange losses relating to the fluctuations in the values of the USD and RMB in 2006.

Use of IPO proceeds

The Company issued 260 million new shares of HK$0.10 each at an offer price of HK$1.4 per share by way of international placing and public offer in Hong Kong ("New Issue"). The net proceeds from the New Issue ("Net Proceeds") after deducting the relevant expenses were approximately HK$322 million. Since the Company's listing on the main board of the Stock Exchange on 3 November 2005, the Group had utilized the Net Proceeds in accordance with that disclosed in the prospectus issued by the Company dated 25 October 2005, as to approximately HK$118 million for the acquisition of new machinery, approximately HK$114 million for acquisition of interests in companies engaged in mould manufacturing and production materials supplies, and approximately HK$77 million for the repayment of the outstanding bank borrowings. The balance of the Net Proceeds was applied as general working capital of the Group.

Capital commitment

As at 31 December 2006, the Group had capital commitments but not provided for in the financial statements in respect of the acquisition of land and buildings and machinery amounted to approximately HK$17 million (2005: HK$10 million).

Contingent liabilities

As at 31 December 2006, the Group did not have any significant contingent liabilities.

Post balance sheet event

During the 5th Session of the 10th National People's Congress, which was concluded on 16 March 2007, the PRC Corporate Income Tax Law (the "New Corporate Income Tax Law") was approved and will become effective on 1 January 2008. The New Corporate Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rate for domestic-invested and foreign-invested enterprises at 25%. Since the detailed implementation and administrative rules and regulations have not yet been announced, the financial impact of the New Corporate Income Tax Law to the Group cannot be reasonably estimated at this stage.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2006.

CORPORATE GOVERNANCE REPORT

The Company continues to devote much efforts 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 Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 to the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG code. For the year ended 31 December 2006, the Company had complied with the code provisions of the CG Code save for the following:

Code Provision A.1.3

Pursuant to code provision A.1.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting so as to give all Directors an opportunity to attend. However, not all regular Board meetings held during the year was convened by a notice of more than 14 days. The failure to serve notice timely as required under the relevant CG Code was mainly due to the insufficient time for arranging for the relevant regular Board meetings. To ensure compliance with the CG Code and to furnish the Directors with appropriate information in a timely manner, the chairman of the Board and the company secretary will arrange for the regular Board meetings in advance in order to allow the service of sufficient and proper notice to all the Directors concerned.

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 there is no chief executive officer appointed in the Company. The day-to-day management of the business of the 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 different experiences and qualifications will enable the Group to enhance the effectiveness and efficiency of the implementation of the business plan. The Board will continue to review the current management structure from time to time and shall make necessary changes when appropriate and inform the shareholders accordingly.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("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 standards set out in the Model Code for the year ended 31 December 2006.

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 statements and results of the Group for the year ended 31 December 2006.

REMUNERATION COMMITTEE

The Remuneration Committee of the Board has reviewed remuneration policy and packages of the Directors and senior management for the year ended 31 December 2006.

PUBLICATION ON THE STOCK EXCHANGE'S WEBSITE

The results announcement will be published on the Stock Exchange's website (http://www.hkex.com.hk). The 2006 Annual Report will be despatched to the shareholders and will be made available on the website of Stock Exchange in due course.

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

Hong Kong, 16 April 2007

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. Yu Chwo-Ming, Mr. Tsai Wen-Yu and Mr. Yip Wai Ming.