



Ju Teng International Holdings Limited
巨騰國際控股有限公司

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



2010
Interim Report

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Cheng Li-Yu
Mr. Cheng Li-Yen
Mr. Huang Kuo-Kuang
Mr. Hsieh Wan-Fu
Mr. Lo Jung-Te
Mr. Tsui Yung Kwok

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cherng, Chia-Jiun
Mr. Tsai Wen-Yu
Mr. Yip Wai Ming

AUTHORISED REPRESENTATIVES

Mr. Cheng Li-Yu
Mr. Tsui Yung Kwok

COMPANY SECRETARY

Mr. Tsui Yung Kwok *CA, CPA, ACS*

AUDIT COMMITTEE

Mr. Cherng, Chia-Jiun
Mr. Tsai Wen-Yu
Mr. Yip Wai Ming

LEGAL ADVISERS AS TO HONG KONG LAWS

Chiu & Partners

AUDITORS

Ernst & Young

PRINCIPAL BANKERS

Agricultural Bank of China
Bank of America
Bank of China
Bank of Communications
Bank SinoPac
China Development Industrial Bank
DBS Bank
First Sino Bank
Fubon Bank
Industrial and Commercial Bank of China
Jih Sun International Commercial Bank
Mega International Commercial Bank
Standard Chartered Bank
Taishin International Bank
Yuanta Commercial Bank

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 3311-3312
Jardine House
1 Connaught Place
Central
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN THE PEOPLE'S REPUBLIC OF CHINA

No. 2 Gua Jing Road
Song Ling Town Economic Development District
Wu Jiang City
Jiang Su
The PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Street
Grand Cayman
Cayman Islands
British West Indies

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26/F Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

WEBSITE

www.irasia.com/listco/hk/juteng

STOCK CODE

3336.HK and 9136.TT

JU TENG INTERNATIONAL HOLDINGS LIMITED

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 2010 (the "Period") as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2010

		For the six months ended 30 June	
		2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Notes			
REVENUE	2	3,576,712	3,124,336
Cost of sales		(2,976,275)	(2,567,574)
Gross profit		600,437	556,762
Other income and gains	3	51,052	38,798
Selling and distribution costs		(29,008)	(19,579)
Administrative expenses		(202,411)	(163,594)
Other expenses		(8,389)	(12,109)
Finance costs	4	(18,846)	(31,795)
PROFIT BEFORE TAX	5	392,835	368,483
Income tax expense	6	(65,040)	(72,534)
PROFIT FOR THE PERIOD		327,795	295,949
Attributable to:			
Equity holders of the Company		302,104	289,636
Non-controlling interests		25,691	6,313
		327,795	295,949
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
– Basic (HK cents)		27.0	28.3
– Diluted (HK cents)		25.7	27.7

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	327,795	295,949
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	39,638	20,219
Available-for-sale investment:		
Change in fair value	(6,532)	18,108
Income tax effect	1,606	(4,527)
	(4,926)	13,581
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	34,712	33,800
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	362,507	329,749
Attributable to:		
Equity holders of the Company	325,885	319,969
Non-controlling interests	36,622	9,780
	362,507	329,749

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2010

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	Notes	30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
4 NON-CURRENT ASSETS			
Property, plant and equipment	9	4,397,596	4,108,425
Lease premium for land		94,852	96,118
Goodwill		37,894	37,894
Investment in an associate		7,630	–
Deposit for acquisition of non-controlling interests		7,379	23,287
Prepayments for acquisition of property, plant and equipment		117,001	38,650
Available-for-sale investment		48,827	55,181
Total non-current assets		4,711,179	4,359,555
CURRENT ASSETS			
Inventories		1,093,314	869,369
Trade receivables	10	2,562,378	3,255,863
Factored trade receivables	10	29,118	11,496
Prepayments, deposits and other receivables		396,462	408,314
Derivative financial instruments		14,973	338
Pledged bank balances and time deposits		20,556	8,113
Cash and cash equivalents		1,046,877	608,422
Total current assets		5,163,678	5,161,915
CURRENT LIABILITIES			
Trade and bills payables	11	1,717,807	2,089,204
Other payables and accruals		701,348	629,933
Tax payable		142,878	130,908
Bank advances on factored trade receivables	10	29,118	11,496
Interest-bearing bank borrowings		561,892	883,134
Total current liabilities		3,153,043	3,744,675
NET CURRENT ASSETS		2,010,635	1,417,240
TOTAL ASSETS LESS CURRENT LIABILITIES		6,721,814	5,776,795
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		1,708,917	1,202,103
Deferred tax liabilities		12,209	14,021
Total non-current liabilities		1,721,126	1,216,124
Net assets		5,000,688	4,560,671
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	12	111,790	111,790
Reserves		4,105,955	3,764,376
Proposed final dividend		–	89,432
		4,217,745	3,965,598
Non-controlling interests		782,943	595,073
Total equity		5,000,688	4,560,671

CONDENSED CONSOLIDATED SUMMARY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010

Attributable to equity holders of the Company

	Share			Employee	Capital	Statutory	Exchange	Available-for-sale			Proposed	Non-		Total
	Issued	premium	Contributed	share-based				reserve	fund	fluctuation		Retained	revaluation	
	capital	account	surplus	reserve	reserve	fund	reserve	profits	reserve	dividend	Total	interests	equity	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
(Unaudited)														
At 1 January 2009	100,000	227,127	370,266	33,935	363,578	79,796	272,194	1,311,585	11,799	50,000	2,820,280	161,135	2,981,415	
Total comprehensive income for the period	-	-	-	-	-	-	16,752	289,636	13,581	-	319,969	9,780	329,749	
Capital injection from a non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	33,719	33,719	
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	320,995	320,995	
Share-based compensation arrangements	-	-	-	9,592	-	-	-	-	-	-	9,592	-	9,592	
Issue of shares	10,280	401,670	-	(1,422)	-	-	-	-	-	-	410,528	-	410,528	
Share issue expenses	-	(4,645)	-	-	-	-	-	-	-	-	(4,645)	-	(4,645)	
Final 2008 dividend declared	-	-	-	-	-	-	-	-	-	(50,000)	(50,000)	-	(50,000)	
At 30 June 2009	110,280	624,152	370,266	42,105	363,578	79,796	288,946	1,601,221	25,380	-	3,505,724	525,629	4,031,353	
(Unaudited)														
At 1 January 2010	111,790	656,571	280,834	46,007	363,578	79,796	292,939	2,016,461	28,190	89,432	3,965,598	595,073	4,560,671	
Total comprehensive income for the period	-	-	-	-	-	-	28,707	302,104	(4,926)	-	325,885	36,622	362,507	
Capital injection from a non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	169,602	169,602	
Acquisition of non-controlling interests	-	-	-	-	424	-	-	-	-	-	424	(16,422)	(15,998)	
Gain on deemed acquisition of non-controlling interests	-	-	-	-	1,932	-	-	-	-	-	1,932	(1,932)	-	
Share-based compensation arrangements	-	-	-	13,338	-	-	-	-	-	-	13,338	-	13,338	
Final 2009 dividend declared	-	-	-	-	-	-	-	-	-	(89,432)	(89,432)	-	(89,432)	
At 30 June 2010	111,790	656,571	280,834	59,345	365,934	79,796	321,646	2,318,565	23,264	-	4,217,745	782,943	5,000,688	

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010

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For the six months
ended 30 June

	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
NET CASH FLOWS FROM OPERATING ACTIVITIES	716,895	655,529
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(585,033)	(717,347)
NET CASH FLOWS FROM FINANCING ACTIVITIES	265,742	241,960
NET INCREASE IN CASH AND CASH EQUIVALENTS	397,604	180,142
Cash and cash equivalents at beginning of period	608,422	450,508
Effect of foreign exchange rate changes, net	40,851	3,654
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>1,046,877</u>	<u>634,304</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS Cash and bank balances	<u>1,046,877</u>	<u>634,304</u>

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2010

1. ACCOUNTING POLICIES

The condensed consolidated interim financial information for the six months ended 30 June 2010 (the "Period") are 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 2009, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations) that affect Ju Teng International Holdings Limited (the "Company") and its subsidiaries (the "Group") and are adopted for the first time for the current period's financial information:

HKFRSs (Amendments)	Improvements to HKFRSs
HKFRS 1 (Revised)	<i>First-time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payment – Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 39 Amendment	Amendment to HKAS 39 <i>Financial Instruments: Recognition and Measurement – Eligible Hedged Items</i>
HK(IFRIC)-Int 17	<i>Distributions of Non-cash Assets to Owners</i>
Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	Amendments to HKFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary</i>
HK Interpretation 4 (Revised in December 2009)	<i>Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments were made to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates and HKAS 31 Interests in Joint Ventures*.

Adoption of these new HKFRSs did not have any material effect on the financial position or performance of the Group, nor resulted in restatement of comparative figures.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2010

2. 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:

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
The People's Republic of China (the "PRC"), excluding Hong Kong	3,404,650	2,966,175
The Republic of China	111,008	144,434
Others	61,054	13,727
	<u>3,576,712</u>	<u>3,124,336</u>

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

INFORMATION ABOUT MAJOR CUSTOMERS

Revenue of approximately HK\$1,357,815,000, HK\$924,333,000 and HK\$686,378,000 for the period ended 30 June 2010 was derived from sales to three major customers, including sales to a group of entities which are known to be under common control with these customers.

Revenue of approximately HK\$1,041,680,000, HK\$928,535,000 and HK\$465,113,000 for the period ended 30 June 2009 was derived from sales to three major customers, including sales to a group of entities which are known to be under common control with these customers.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2010

3. OTHER INCOME AND GAINS

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

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Interest income	4,802	5,398
Sale of scrap materials	26,415	18,034
Exchange gains, net	6,345	3,181
Subsidy income	4,811	7,478
Others	8,679	4,707
	<u>51,052</u>	<u>38,798</u>

4. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Interest on bank loans and other loans wholly repayable within five years	18,846	31,795
Total interest expense on financial liabilities not at fair value through profit or loss	<u>18,846</u>	<u>31,795</u>

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2010

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Cost of inventories sold	2,966,246	2,492,044
Depreciation	195,410	139,751
Amortisation of lease premium for land	1,993	584
Losses on write-off/disposal of items of property, plant and equipment, net	590	9,910

6. INCOME TAX EXPENSE

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 2009: 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.

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Provision for the Period		
Current – The PRC, excluding Hong Kong		
Charge for the Period	41,736	69,205
Underprovision/(Overprovision) in prior years	4,641	(583)
Current – Overseas		
Charge for the Period	19,057	2,966
(Overprovision)/ Underprovision in prior years	(188)	946
Deferred	(206)	–
Total tax charge for the Period	65,040	72,534

7. INTERIM DIVIDEND

The directors did not propose to declare an interim dividend for the Period (six months ended 30 June 2009: Nil).

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2010

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\$302,104,000 (six months ended 30 June 2009: HK\$289,636,000) and the weighted average of 1,117,898,000 (six months ended 30 June 2009: 1,022,114,917) 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\$302,104,000 (six months ended 30 June 2009: HK\$289,636,000). The weighted average number of ordinary shares used in the calculation is the 1,117,898,000 (six months ended 30 June 2009: 1,022,114,917) ordinary shares in issue during the Period, as used in the basic earnings per share calculation, and the weighted average of 58,939,158 (six months ended 30 June 2009: 25,166,106) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential shares into shares.

9. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of HK\$486,608,000 (six months ended 30 June 2009: HK\$514,925,000), had additions by way of acquisition of subsidiaries of nil (six months ended 30 June 2009: HK\$482,506,000) and disposed of property, plant and equipment of HK\$15,946,000 (six months ended 30 June 2009: HK\$18,898,000).

10. 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 end of the reporting period, based on the invoice date, is as follows:

	As at 30 June 2010 (Unaudited) HK\$'000	As at 31 December 2009 (Audited) HK\$'000
TRADE RECEIVABLES		
Within 3 months	1,597,214	2,031,299
4 to 6 months	961,455	1,213,921
7 to 12 months	3,709	6,041
Over 1 year	—	4,602
	2,562,378	3,255,863
FACTORED TRADE RECEIVABLES		
Within 3 months	16,208	11,496
4 to 6 months	12,910	—
	29,118	11,496

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2010

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JU TENG INTERNATIONAL HOLDINGS LIMITED

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10. TRADE RECEIVABLES (continued)

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	As at 30 June 2010 (Unaudited) HK\$'000	As at 31 December 2009 (Audited) HK\$'000
Neither past due nor impaired	2,337,072	2,488,088
1 – 3 months	222,983	755,659
4 – 6 months	2,131	7,130
7 – 12 months	192	786
Over 1 year	–	4,200
	2,562,378	3,255,863

Receivables that were neither past due nor impaired relate to a 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.

As at 31 December 2009 and 30 June 2010, the factored trade receivables are factored to banks on a with-recourse basis for cash.

At 30 June 2010, the Group did not have trade receivables pledged to secure banking facilities granted to the Group (31 December 2009: HK\$23,196,000).

11. 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 the reporting period, based on the invoice date, is as follows:

	As at 30 June 2010 (Unaudited) HK\$'000	As at 31 December 2009 (Audited) HK\$'000
Within 3 months	1,163,323	1,491,079
4 to 6 months	461,699	423,097
7 to 12 months	74,716	166,184
Over 1 year	18,069	8,844
	1,717,807	2,089,204

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2010

12. SHARE CAPITAL

	As at 30 June 2010 (Unaudited) HK\$'000	As at 31 December 2009 (Audited) 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 1,117,898,000 shares of HK\$0.1 each	<u>111,790</u>	<u>111,790</u>

SHARE OPTIONS

Details of the Company's share option scheme and the share options issued are included in note 13 to the interim financial information.

13. EQUITY COMPENSATION PLANS

(A) SHARE AWARD PLAN

On 17 June 2005, the Company adopted a share award plan in which a total of 13,405,550 shares in the Company were transferred to the trustee of the share award plan by certain shareholders of the Company. As at 31 December 2009 and 30 June 2010, a total of 9,115,774 shares were held by the trustee under the share award plan.

(B) SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include, among others, the Group's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, persons that provide research, development or other technological support to the Group, the Group's shareholders and the advisers or consultants of the Group and participants who have contributed or may contribute to the development and growth of the Group. The Scheme became effective on 3 November 2005 and unless otherwise cancelled or amended, will remain in force for a period to 5 October 2015.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

NOTES TO INTERIM FINANCIAL INFORMATION

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13. EQUITY COMPENSATION PLANS (continued)

(B) SHARE OPTION SCHEME (continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of the offer of the share options.

The exercise price of the share options is determinable by the directors, but shall not be less than the highest of (i) the closing price of the Company's shares as quoted on the daily quotation sheets on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the date of the offer of the share options; and (ii) the average closing price of the Company's shares as quoted on the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Scheme during the Period:

	2010		2009	
	Weighted average exercise price HK\$ per share	Number of options	Weighted average exercise price HK\$ per share	Number of options
At 1 January	2.73	100,262,000	2.15	94,468,000
Lapsed during the period	2.99	(1,980,000)	2.00	(674,000)
At 30 June	<u>2.72</u>	<u>98,282,000</u>	<u>2.15</u>	<u>93,794,000</u>

No share options were granted, exercised or cancelled during the current and prior periods.

NOTES TO INTERIM FINANCIAL INFORMATION

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13. EQUITY COMPENSATION PLANS (continued)

(B) SHARE OPTION SCHEME (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

30 June 2010 Number of options	Exercise price* HK\$ per share	Exercise period
81,999	1.56	7-11-2009 to 6-11-2016
15,090,001	1.56	7-11-2010 to 6-11-2016
15,090,000	1.56	7-11-2011 to 6-11-2016
14,806,666	2.75	7-11-2012 to 23-4-2018
14,806,666	2.75	7-11-2013 to 23-4-2018
14,806,668	2.75	7-11-2014 to 23-4-2018
4,720,000	4.15	7-11-2011 to 13-7-2019
4,720,000	4.15	7-11-2012 to 13-7-2019
4,720,000	4.15	7-11-2013 to 13-7-2019
4,720,000	4.15	7-11-2014 to 13-7-2019
4,720,000	4.15	7-11-2015 to 13-7-2019
98,282,000		

30 June 2009 Number of options	Exercise price* HK\$ per share	Exercise period
15,668,667	1.56	7-11-2009 to 6-11-2016
15,668,667	1.56	7-11-2010 to 6-11-2016
15,668,666	1.56	7-11-2011 to 6-11-2016
15,595,999	2.75	7-11-2012 to 23-4-2018
15,595,999	2.75	7-11-2013 to 23-4-2018
15,596,002	2.75	7-11-2014 to 23-4-2018
93,794,000		

* The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.

The Group recognised a share option expense of HK\$13,338,000 (six months ended 30 June 2009: HK\$9,592,000) during the Period in respect of share options granted in the prior period.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2010

14. BUSINESS COMBINATION

BUSINESS COMBINATION OF WAH YUEN TECHNOLOGY HOLDING LIMITED IN THE PRIOR PERIOD

On 28 October 2008, the Group entered into the acquisition and subscription agreements for the acquisition of 53.44% interest in Wah Yuen Technology Holding Limited ("Wah Yuen"). The consideration for the acquisition was in the form of cash of HK\$401,476,000 (US\$51,800,000) which has been paid in November 2008 and March 2009. The acquisition was completed in March 2009.

Wah Yuen is a private company incorporated in the Republic of Mauritius with limited liability. Wah Yuen and its subsidiaries are principally engaged in the design, development, manufacture and sale of casings for notebook computers with manufacturing facilities located in Jurong City of Jiangsu Province, the PRC.

The fair values of the identifiable assets and liabilities of Wah Yuen and its subsidiaries as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

	Fair value recognised on acquisition HK\$'000	Previous carrying amount HK\$'000
Property, plant and equipment	482,506	490,600
Lease premium for land	16,432	10,139
Prepayments for acquisition of property, plant and equipment	170,820	170,820
Inventories	22,471	22,471
Trade receivables	105,407	105,407
Prepayments, deposits and other receivables	28,626	28,626
Cash and cash equivalents	226,958	226,958
Trade and bills payables	(70,139)	(70,139)
Other payables and accruals	(18,247)	(18,247)
Interest-bearing bank borrowings	(275,411)	(275,411)
	<u>689,423</u>	<u>691,224</u>
Non-controlling interests	(320,995)	
Goodwill on acquisition	33,048	
	<u>401,476</u>	
Satisfied by:		
Cash	296,844	
Deposit	104,632	
	<u>401,476</u>	

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2010

14. BUSINESS COMBINATION (continued)

BUSINESS COMBINATION OF WAH YUEN TECHNOLOGY HOLDING LIMITED IN THE PRIOR PERIOD (continued)

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries is as follows:

	<i>HK\$'000</i>
Cash consideration	(296,844)
Cash and cash equivalents acquired	<u>226,958</u>
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	<u>(69,886)</u>

Since their acquisition, Wah Yuen and its subsidiaries had no significant contribution to the Group's turnover and profit for the period ended 30 June 2009.

Had the combination taken place at the beginning of the prior period, there would have been no significant impact to the revenue and profit of the Group for the period ended 30 June 2009.

15. OPERATING LEASE COMMITMENTS

The Group leases certain of its office, warehouse properties and motor vehicles under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	Group	
	As at 30 June 2010 (Unaudited) HK\$'000	As at 31 December 2009 (Audited) HK\$'000
Within one year	7,246	11,739
In the second to fifth years, inclusive	12,536	14,070
After five years	93	–
	<u>19,875</u>	<u>25,809</u>

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2010

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JU TENG INTERNATIONAL HOLDINGS LIMITED

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16. COMMITMENTS

In addition to the operating lease commitments detailed in note 15 above, the Group had the following commitments at the end of the reporting period:

	Group	
	As at 30 June 2010 (Unaudited) HK\$'000	As at 31 December 2009 (Audited) HK\$'000
Contracted, but not provided for:		
Land and buildings	251,253	230,644
Machinery	482,431	15,336
Acquisition of non-controlling interests	8,437	–
Total capital commitments	<u>742,121</u>	<u>245,980</u>

17. CONTINGENT LIABILITIES

At the end of the reporting period, the Group did not have any significant contingent liabilities.

18. RELATED PARTY TRANSACTIONS

(A) The Group had the following material related party transactions during the Period:

	Notes	For the six months ended 30 June	
		2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)
Purchase of production materials from:			
San Li Company Limited ("San Li") (a)	(i)	205	2,210
Sunrise Plastic Injection Company Limited ("Sunrise") (b)	(i)	34	–
Sale of finished goods to:			
San Li	(ii)	354	31
Sunrise	(ii)	35	17
Rental expenses paid to:			
Ms. Lin Mei-Li (c)	(iii)	<u>30</u>	<u>29</u>

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2010

18. RELATED PARTY TRANSACTIONS (continued)

- (A) The Group had the following material related party transactions during the Period:
(continued)

Notes:

- (a) San Li is controlled by Mr. Cheng Li-Yu, a director of the Company.
 - (b) Sunrise is controlled by Mr. Cheng Li-Yen, a director of the Company, and his family members.
 - (c) Ms. Lin Mei-Li is the spouse of Mr. Cheng Li-Yu, a director of the Company.
 - (i) The purchase prices of production materials were determined at rates mutually agreed between the relevant parties.
 - (ii) The selling prices of finished goods were determined at rates mutually agreed between the relevant parties.
 - (iii) The rentals were determined at rates mutually agreed between the relevant parties.
- (B) Outstanding balances with related parties:

Details of the Group's balances with the related companies as at the end of the reporting period are as follows:

	As at 30 June 2010 (Unaudited) HK\$'000	As at 31 December 2009 (Audited) HK\$'000
Trade receivables:		
San Li	269	401
Sunrise	37	–
	<u>306</u>	<u>401</u>
Trade and bills payables:		
San Li	208	421
Sunrise	189	151
	<u>397</u>	<u>572</u>

NOTES TO INTERIM FINANCIAL INFORMATION

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18. RELATED PARTY TRANSACTIONS (continued)

(C) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Short term employee benefits	2,985	3,338
Employee share-based compensation expenses	2,855	3,456
Total compensation paid to key management personnel	5,840	6,794

19. PLEDGE OF ASSETS

As at 30 June 2010, the Group's leasehold land and buildings and machineries with an aggregate carrying amount of approximately HK\$37,171,000 (31 December 2009: HK\$100,000,000), no trade receivables (31 December 2009: HK\$23,196,000) and shares of certain subsidiaries (31 December 2009: Nil) were pledged to secure banking facilities granted to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW & PROSPECT

In 2009, the financial tsunami continued to strike the global economy with numerous challenges and difficulties. Ju Teng overcame adversity successfully in the second half of 2009 with a series of effective contingency measures. The Group also spearheaded its expansion strategy for production capacity last year, including the acquisition of Wah Yuen to venture into the metal casing business and the joint-venture cooperation with a client to establish a new plant in Jiangsu Province, which boosted the Group's annual production capacity to 70 million casings with 7 plants in total. Ju Teng's expansion efforts bore fruit in early 2010. When global markets stabilized with the implementation of economic stimulus packages in different countries, Ju Teng was well prepared for the increased orders from customers in the first quarter. In terms of regional markets, the performance of Asian-pacific market outshone the others in the first half of this year. In particular, China market delivered stunning sales figures, which underscored the success of the Chinese government's RMB4 trillion economic stimulus package that helped increase domestic consumption. Ju Teng's sales increase in the first quarter was indeed very impressive. Despite the postponement and decrease of orders caused by the outburst of the Greek debt crisis in the second quarter, which led to a disastrous knock-on effect on the Eurozone economy and weakened local markets concerned, the Group still enjoyed a double-digit growth in turnover for the first half of the year.

During the period, casings of notebook computer remained a major contributor to the Group in terms of sales volume. Last year, the Group began to develop the metal casing business with higher margin, and to produce LCD TV casings and digital camera casings. At present, these businesses only accounted for a small portion of the Group's turnover.

During the period, the Group's gross profit margin declined due to an increase in production costs which was paralleled by the rise in wages and raw material costs. Nevertheless, Ju Teng continued to post profit growth. In response to the pay rise demands in the Chinese manufacturing industry, Ju Teng increased the wages of its plant workers during the first half of this year. In the long run, the wage level in China is expected to rise further under the influence of government policies and the upward adjustment of minimum wage. However, Ju Teng believes that the wage hike will not affect the Group's long-term profit.

Forecasts of the imbalances of supply and demand in the PRC manufacturing labor market have led Ju Teng to commence a research project with a third party on mechanized production, which aims to reduce its reliance on labor-intensive production through automation. Ju Teng's advanced casing technologies call for a high standard of precision for mechanization. Thus, despite the fact that the Group has made satisfactory progress in this regard, the mechanized facilities have yet to go through a relatively long test phase before they can be applied to the production process.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW & PROSPECT (continued)

Looking ahead to the second half of the year, while keeping a watchful eye on the development of the debt crisis in the Euro economic zone and the performance of the European market, the management remains cautiously optimistic about the prospects of the Group's business. The management is of the view that, despite uncertainty looming over the global economy, market demand for notebook computers will continue to climb. It is obvious that notebook computers' lightweight portability as well as its increasing user-friendly pricing and functionality have won consumers' hearts. Hence, its growth momentum is expected to outrun that of the traditional desktop computer. According to a market research company IDC, notebooks will become a major driving force for the growth of both personal and commercial computer markets. It is projected that the sales volume of notebook computers will account for approximately 70% of the overall computer market by 2013. As a leading notebook casing manufacturer, Ju Teng will capitalize on the growth of the industry by increasing its production capabilities for greater economies of scale, which will strengthen its profit margin and market share, thereby rewarding shareholders for their longstanding support.

FINANCIAL REVIEW

During the Period, the notebook market in Asia Pacific performed well, offsetting the effect of the decrease in sales from the Eurozone countries. Accordingly, for the first half of the year, the turnover of the Group grew by 14.5% to approximately HK\$3,577 million (2009: HK\$3,124 million). The overall gross profit margin dropped to 16.8% (2009: 17.8%) due to rising labor costs and prices of raw materials.

As a result of the acquisition of Wah Yuen, a magnesium alloy casing manufacturer and expansion of its production capacity, the Group recorded an increase of 22.8% in operating cost and other operating expenses, including administrative expenses, selling and distribution costs and other expenses to approximately HK\$240 million (2009: HK\$195 million), accounting for 6.7% (2009: 6.2%) of the Group's turnover.

Finance costs decreased by 40.7% to approximately HK\$19 million for the Period as compared to that of 2009 which was due to the low USD interest rate.

The profit attributable to equity holders for the Period amounted to approximately HK\$302 million, representing an increase of 4.3% when compared to the same period of last year (2009: HK\$290 million). It is mainly attributable to the increase in turnover of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2010, total bank borrowings of the Group amounted to approximately HK\$2,271 million, representing an increase of 8.9% as compared to that of 31 December 2009. The Group's bank borrowings include short-term loans with 1-year maturity, 2-year term loan and 3-year revolving syndicated loan. As at 30 June 2010, the Group's bank loans denominated in USD and New Taiwan dollars are carrying the amounts of approximately HK\$2,268 million (31 December 2009: HK\$2,023 million) and approximately HK\$3 million (31 December 2009: HK\$20 million) respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES (continued)

During the Period, the Group's cashflow from operating activities increased to approximately HK\$717 million from HK\$656 million for the corresponding period in 2009 due to the improving cashflow from operating activities and decrease in trade receivables. As a result of the purchase of fixed assets to expand its production capacity and construction of a new plant, the Group recorded a net cash outflow from investing activities of HK\$585 million (2009: HK\$717 million). During the Period, due to newly raised bank loans and contribution from minority shareholders, the Group recorded a net cash inflow from financing activities of approximately HK\$266 million (2009: HK\$242 million). As at 30 June 2010, the Group had cash and bank balances of approximately HK\$1,047 million (31 December 2009: HK\$608 million).

The gearing ratio of the Group, calculated as total bank borrowings of approximately HK\$2,271 million (31 December 2009: HK\$2,085 million) divided by total assets of approximately HK\$9,875 million (31 December 2009: HK\$9,521 million), as at 30 June 2010 was 23.0% (31 December 2009: 21.9%). The gearing ratio was slightly increased to settle the payment of the Group's plant and machinery.

PLEDGE OF ASSETS

As at 30 June 2010, the Group's pledged leasehold land and buildings and machineries with an aggregate carrying amount of approximately HK\$37 million (31 December 2009: HK\$100 million), no trade receivables (31 December 2009: HK\$23 million) and shares of certain subsidiaries (31 December 2009: Nil) 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 the 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 2010, the Group had approximately 35,000 employees. The Group recorded staff costs of approximately HK\$544 million (30 June 2009: HK\$463 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 2010, 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 and buildings, machinery and the acquisition of non-controlling interests amounted to approximately HK\$742 million (31 December 2009: HK\$246 million).

CONTINGENT LIABILITIES

As at 30 June 2010, the Group did not have any significant contingent liabilities.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2010, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in appendix 10 to the Listing Rules were as follows:

(I) INTERESTS IN SHARES

Name of Director	Nature of interest	Number and class of Shares held (Note 1)	Approximate percentage of shareholding
Mr. Cheng Li-Yu	Founder of a discretionary trust (Note 2)	273,556,986 (L) ordinary Shares	24.47%
	Beneficial owner	12,778,000 (L) ordinary Shares	1.14%
	Interest of spouse (Note 3)	10,518,046 (L) ordinary Shares	0.94%
Mr. Cheng Li-Yen	Beneficiary of a trust (Note 2)	273,556,986 (L) ordinary Shares	24.47%
Mr. Huang Kuo-Kuang	Beneficial owner	3,423,866 (L) ordinary Shares	0.31%
	Interest of spouse (Note 4)	2,950,631 (L) ordinary Shares	0.26%
Mr. Hsieh Wan-Fu	Beneficial owner	1,854,432 (L) ordinary Shares	0.17%
Mr. Lo Jung-Te	Beneficial owner	5,765,942 (L) ordinary Shares	0.52%
Mr. Tsui Yung Kwok	Beneficial owner	3,132,000 (L) ordinary Shares	0.28%

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

(I) INTERESTS IN SHARES (CONTINUED)

Notes:

- The letter "L" denotes a long position in the Shares.
- The Shares were registered in the name of Southern Asia Management Limited ("Southern Asia"), which was wholly owned by Shine Century Assets Corp., the entire issued share capital of which was beneficially owned by the Cheng Family Trust which was founded by Mr. Cheng Li-Yu. The beneficiaries of the Cheng Family Trust include, among others, Mr. Cheng Li-Yen and Mr. Cheng Li-Yu. Mr. Cheng Li-Yen and Mr. Cheng Li-Yu were deemed to be interested in all the Shares in which Shine Century Assets Corp. was interested by virtue of the SFO.
- Mr. Cheng Li-Yu is the husband of Ms. Lin Mei-Li and he was deemed to be interested in all the Shares in which Ms. Lin Mei-Li was interested by virtue of the SFO.
- Mr. Huang Kuo-Kuang is the husband of Ms. Wang Shu-Hui and he was deemed to be interested in all the Shares in which Ms. Wang Shu-Hui was interested by virtue of the SFO.

(II) INTERESTS IN UNDERLYING SHARES

Name of Director	Nature of interest	Number of underlying shares (Note 1)	Exercise period	Exercise price per Share	Approximate percentage of Shareholding
Mr. Cheng Li-Yen	Beneficial owner	2,194,000 (L) (Note 2)	N/A	N/A	0.20%
Mr. Huang Kuo-Kuang	Beneficial owner	1,000,000 (L) (Note 3)	7 November 2010 to 6 November 2016	HK\$1.56	0.08% (Note 5)
	Beneficial owner	1,000,000 (L) (Note 3)	7 November 2011 to 6 November 2016	HK\$1.56	0.08% (Note 5)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2012 to 23 April 2018	HK\$2.75	0.02% (Note 5)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2013 to 23 April 2018	HK\$2.75	0.02% (Note 5)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2014 to 23 April 2018	HK\$2.75	0.02% (Note 5)
Mr. Hsieh Wan-Fu	Beneficial owner	500,000 (L) (Note 3)	7 November 2010 to 6 November 2016	HK\$1.56	0.04% (Note 5)
	Beneficial owner	500,000 (L) (Note 3)	7 November 2011 to 6 November 2016	HK\$1.56	0.04% (Note 5)
	Beneficial owner	554,000 (L) (Note 3)	7 November 2012 to 23 April 2018	HK\$2.75	0.05% (Note 5)
	Beneficial owner	554,000 (L) (Note 4)	7 November 2013 to 23 April 2018	HK\$2.75	0.05% (Note 5)
	Beneficial owner	554,000 (L) (Note 4)	7 November 2014 to 23 April 2018	HK\$2.75	0.05% (Note 5)

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DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

(II) INTERESTS IN UNDERLYING SHARES (CONTINUED)

Name of Director	Nature of interest	Number of underlying shares (Note 1)	Exercise period	Exercise price per Share	Approximate percentage of Shareholding
Mr. Lo Jung-Te	Beneficial owner	500,000 (L) (Note 3)	7 November 2010 to 6 November 2016	HK\$1.56	0.04% (Note 5)
	Beneficial owner	500,000 (L) (Note 3)	7 November 2011 to 6 November 2016	HK\$1.56	0.04% (Note 5)
	Beneficial owner	554,000 (L) (Note 4)	7 November 2012 to 23 April 2018	HK\$2.75	0.05% (Note 5)
	Beneficial owner	554,000 (L) (Note 4)	7 November 2013 to 23 April 2018	HK\$2.75	0.05% (Note 5)
	Beneficial owner	554,000 (L) (Note 4)	7 November 2014 to 23 April 2018	HK\$2.75	0.05% (Note 5)
Mr. Tsui Yung Kwok	Beneficial owner	667 (L) (Note 3)	7 November 2009 to 6 November 2016	HK\$1.56	0.00% (Note 5)
	Beneficial owner	332,667 (L) (Note 3)	7 November 2010 to 6 November 2016	HK\$1.56	0.03% (Note 5)
	Beneficial owner	332,666 (L) (Note 3)	7 November 2011 to 6 November 2016	HK\$1.56	0.03% (Note 5)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2012 to 23 April 2018	HK\$2.75	0.02% (Note 5)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2013 to 23 April 2018	HK\$2.75	0.02% (Note 5)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2014 to 23 April 2018	HK\$2.75	0.02% (Note 5)

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

(II) INTERESTS IN UNDERLYING SHARES (CONTINUED)

Notes:

1. The letter "L" denotes a long position in the underlying Shares.
2. The long position in the underlying Shares comprised 2,194,000 units of Taiwan depository receipts on the Taiwan Stock Exchange Corporation, representing 2,194,000 Shares of the Company.
3. The long position in the underlying Shares comprised 2,000,000, 1,000,000, 1,000,000 and 666,000 options granted to Mr. Huang Kuo-Kuang, Mr. Hsieh Wan-Fu, Mr. Lo Jung-Te and Mr. Tsui Yung Kwok respectively by the Company on 7 November 2006 under the share option scheme ("Share Option Scheme") of the Company and such share options remained outstanding as at 30 June 2010.
4. The long position in the underlying Shares comprised 756,000, 1,662,000, 1,662,000 and 756,000 options granted to Mr. Huang Kuo-Kuang, Mr. Hsieh Wan-Fu, Mr. Lo Jung-Te and Mr. Tsui Yung Kwok respectively by the Company on 24 April 2008 under the Share Option Scheme and such share options remained outstanding as at 30 June 2010.
5. This percentage was calculated on the basis of 1,216,180,000 Shares in issue immediately following the exercise in full of all the options granted under the Share Option Scheme at the same time and assuming that there would be no change in the total issued share capital of the Company other than as enlarged by the exercise of these options prior to the exercise in full of these options.

Save as disclosed above, as at 30 June 2010, none of the Directors or chief executive of the Company had an interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporation which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or was required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

OTHER INFORMATION

SHARE OPTION SCHEME

The Company operates the Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Further details are disclosed in note 13 to the financial information.

The following share options were outstanding under the Share Option Scheme during the Period:

Name or category of participant	Number of share options					Grant date (Note 1)	Exercise period	Exercise price per Share (Note 2)	Price per Share at grant date (Note 3)
	At 1 January 2010	Granted during the Period	Exercised during the Period	Lapsed during the Period	At 30 June 2010				
Directors									
Mr. Huang Kuo-Kuang	1,000,000	-	-	-	1,000,000	7-11-2006	7-11-2010 to 6-11-2016	HK\$1.56	HK\$1.56
	1,000,000	-	-	-	1,000,000	7-11-2006	7-11-2011 to 6-11-2016	HK\$1.56	HK\$1.56
	252,000	-	-	-	252,000	24-4-2008	7-11-2012 to 23-4-2018	HK\$2.75	HK\$2.75
	252,000	-	-	-	252,000	24-4-2008	7-11-2013 to 23-4-2018	HK\$2.75	HK\$2.75
	252,000	-	-	-	252,000	24-4-2008	7-11-2014 to 23-4-2018	HK\$2.75	HK\$2.75
	<u>2,756,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,756,000</u>				
Mr. Hsieh Wan-Fu	500,000	-	-	-	500,000	7-11-2006	7-11-2010 to 6-11-2016	HK\$1.56	HK\$1.56
	500,000	-	-	-	500,000	7-11-2006	7-11-2011 to 6-11-2016	HK\$1.56	HK\$1.56
	554,000	-	-	-	554,000	24-4-2008	7-11-2012 to 23-4-2018	HK\$2.75	HK\$2.75
	554,000	-	-	-	554,000	24-4-2008	7-11-2013 to 23-4-2018	HK\$2.75	HK\$2.75
	554,000	-	-	-	554,000	24-4-2008	7-11-2014 to 23-4-2018	HK\$2.75	HK\$2.75
	<u>2,662,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,662,000</u>				
Mr. Lo Jung-Te	500,000	-	-	-	500,000	7-11-2006	7-11-2010 to 6-11-2016	HK\$1.56	HK\$1.56
	500,000	-	-	-	500,000	7-11-2006	7-11-2011 to 6-11-2016	HK\$1.56	HK\$1.56
	554,000	-	-	-	554,000	24-4-2008	7-11-2012 to 23-4-2018	HK\$2.75	HK\$2.75
	554,000	-	-	-	554,000	24-4-2008	7-11-2013 to 23-4-2018	HK\$2.75	HK\$2.75
	554,000	-	-	-	554,000	24-4-2008	7-11-2014 to 23-4-2018	HK\$2.75	HK\$2.75
	<u>2,662,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,662,000</u>				

OTHER INFORMATION

SHARE OPTION SCHEME (continued)

Name or category of participant	Number of share options					Grant date (Note 1)	Exercise period	Exercise price per Share (Note 2)	Price per Share at grant date (Note 3)
	At 1 January 2010	Granted during the Period	Exercised during the Period	Lapsed during the Period	At 30 June 2010				
Directors (continued)									
Mr. Tsui Yung Kwok	667	-	-	-	667	7-11-2006	7-11-2009 to 6-11-2016	HK\$1.56	HK\$1.56
	332,667	-	-	-	332,667	7-11-2006	7-11-2010 to 6-11-2016	HK\$1.56	HK\$1.56
	332,666	-	-	-	332,666	7-11-2006	7-11-2011 to 6-11-2016	HK\$1.56	HK\$1.56
	252,000	-	-	-	252,000	24-4-2008	7-11-2012 to 23-4-2018	HK\$2.75	HK\$2.75
	252,000	-	-	-	252,000	24-4-2008	7-11-2013 to 23-4-2018	HK\$2.75	HK\$2.75
	252,000	-	-	-	252,000	24-4-2008	7-11-2014 to 23-4-2018	HK\$2.75	HK\$2.75
	<u>1,422,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,422,000</u>				
Other employees									
In aggregate	82,666	-	-	(1,334)	81,332	7-11-2006	7-11-2009 to 6-11-2016	HK\$1.56	HK\$1.56
	12,848,667	-	-	(91,333)	12,757,334	7-11-2006	7-11-2010 to 6-11-2016	HK\$1.56	HK\$1.56
	12,848,667	-	-	(91,333)	12,757,334	7-11-2006	7-11-2011 to 6-11-2016	HK\$1.56	HK\$1.56
	13,626,666	-	-	(432,000)	13,194,666	24-4-2008	7-11-2012 to 23-4-2018	HK\$2.75	HK\$2.75
	13,626,666	-	-	(432,000)	13,194,666	24-4-2008	7-11-2013 to 23-4-2018	HK\$2.75	HK\$2.75
	13,626,668	-	-	(432,000)	13,194,668	24-4-2008	7-11-2014 to 23-4-2018	HK\$2.75	HK\$2.75
	4,820,000	-	-	(100,000)	4,720,000	14-7-2009	7-11-2011 to 13-7-2019	HK\$4.15	HK\$4.15
	4,820,000	-	-	(100,000)	4,720,000	14-7-2009	7-11-2012 to 13-7-2019	HK\$4.15	HK\$4.15
	4,820,000	-	-	(100,000)	4,720,000	14-7-2009	7-11-2013 to 13-7-2019	HK\$4.15	HK\$4.15
	4,820,000	-	-	(100,000)	4,720,000	14-7-2009	7-11-2014 to 13-7-2019	HK\$4.15	HK\$4.15
	4,820,000	-	-	(100,000)	4,720,000	14-7-2009	7-11-2015 to 13-7-2019	HK\$4.15	HK\$4.15
	<u>90,760,000</u>	<u>-</u>	<u>-</u>	<u>(1,980,000)</u>	<u>88,780,000</u>				
	<u>100,262,000</u>	<u>-</u>	<u>-</u>	<u>(1,980,000)</u>	<u>98,282,000</u>				

Notes:

- The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- The price of the Shares disclosed as at the date of grant of the share options is the Stock Exchange closing price of the Shares on the trading day immediately prior to the date of grant of the options.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2010, the interests or short positions of the persons (other than a Director or chief executive of the Company) in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity and nature of interest	Number and class of Shares held (Note 1)	Approximate percentage of shareholding
Southern Asia	Beneficial owner	273,556,986 (L) ordinary Shares	24.47%
Shine Century Assets Corp. (Note 2)	Interest of a controlled corporation	273,556,986 (L) ordinary Shares	24.47%
East Asia International Trustees Limited (Note 2)	Trustee (other than a bare trustee)	273,556,986 (L) ordinary Shares	24.47%
Ms. Lin Mei-Li (Note 3)	Beneficial owner	10,518,046 (L) ordinary Shares	0.94%
	Interest of spouse	286,334,986 (L) ordinary Shares	25.61%
Amundi	Investment manager	78,366,000 (L) ordinary Shares	7.01%
JPMorgan Chase & Co. (Note 4)	Custodian corporation/ approved lending agent	56,458,800 (L) ordinary Shares 56,458,800 (P) ordinary Shares	5.05% 5.05%

Notes:

1. The letter "L" denotes a long position in the Share. The Letter "P" denotes leading pool.
2. The Shares were held by Southern Asia, which was wholly owned by Shine Century Assets Corp. The entire issued share capital of Shine Century Assets Corp. was owned by the Cheng Family Trust, the trustee of which was East Asia International Trustees Limited. Shine Century Assets Corp. was deemed to be interested in all the Shares in which Southern Asia is interested by virtue of the SFO. East Asia International Trustee Limited was deemed to be interested in all the Shares in which Shine Century Assets Corp. was interested by virtue of the SFO. The Shares registered in the name of Southern Asia was also disclosed as the interest of Mr. Cheng Li-Yu and Mr. Cheng Li-Yen in the section headed "Directors' and chief executive's interests and short positions in Shares and underlying Shares" above.
3. Ms. Lin Mei-Li is the wife of Mr. Cheng Li-Yu and she was deemed to be interested in all the Shares in which Mr. Cheng Li-Yu was interested by virtue of the SFO.
4. All of these Shares are held by JPMorgan Chase Bank, N.A.. JPMorgan Chase & Co. is deemed to be interested in all of the Shares in which JPMorgan Chase Bank, N.A. was interested by virtue of the SFO.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (continued)

Save as disclosed above, as at 30 June 2010, no person, other than the Directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interests and short positions in Shares and underlying shares" above, had an interest or short position in the Shares or underlying Shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or which would fall to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO.

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 Period.

INTERIM DIVIDEND

The Directors do not recommend the payment of interim dividend in respect of the period ended 30 June 2010.

CORPORATE GOVERNANCE PRACTICES

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. 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 2009.

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 not less exacting than the required standard set out in the Model Code. 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 and the code of conduct for the Period.



OTHER INFORMATION

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.

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

Hong Kong, 25 August 2010