

INTERIM REPORT 2011



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

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 SinoPac
Chinatrust Commercial Bank
DBS Bank
Fubon Bank
Jiu Sun International Commercial Bank
Mega International Commercial Bank
Shanghai Commercial and Savings Bank
Standard Chartered Bank
Taishin International Bank
Yuanta Commercial Bank

REGISTERED OFFICE

Cricket Square
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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

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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 609
Grand Cayman KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26/F Tesbury Centre
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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 2011 (the "Period") as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

		For the six months ended 30 June	
		2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
	Notes		
REVENUE	2	3,654,806	3,576,712
Cost of sales		(3,346,341)	(2,976,275)
Gross profit		308,465	600,437
Other income and gains	3	71,792	51,052
Selling and distribution costs		(37,548)	(29,008)
Administrative expenses		(202,133)	(202,411)
Other expenses		(2,835)	(8,389)
Finance costs	4	(19,844)	(18,846)
Share of loss of an associate		(3,240)	–
PROFIT BEFORE TAX	5	114,657	392,835
Income tax expense	6	(16,637)	(65,040)
PROFIT FOR THE PERIOD		98,020	327,795
Attributable to:			
Equity holders of the Company		110,742	302,104
Non-controlling interests		(12,722)	25,691
		98,020	327,795
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
– Basic (HK cents)		9.8	27.0
– Diluted (HK cents)		9.7	25.7

Details of dividend for the period are disclosed in note 7 to the financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011



For the six months
ended 30 June

	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	98,020	327,795
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	104,310	39,638
Available-for-sale investment:		
Change in fair value	(12,985)	(6,532)
Income tax effect	2,176	1,606
	(10,809)	(4,926)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	93,501	34,712
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	191,521	362,507
Attributable to:		
Equity holders of the Company	184,777	325,885
Non-controlling interests	6,744	36,622
	191,521	362,507

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2011

Notes	30 June 2011 (Unaudited) HK\$'000	31 December 2010 (Audited) HK\$'000
NON-CURRENT ASSETS		
Property, plant and equipment	9	4,850,098
Lease premium for land	95,925	4,742,126
Goodwill	37,894	95,675
Investment in an associate	3,147	37,894
Prepayments for acquisition of property, plant and equipment	232,326	6,388
Available-for-sale investment	30,175	148,985
	<u>5,249,565</u>	<u>41,681</u>
Total non-current assets	5,249,565	5,072,749
CURRENT ASSETS		
Inventories	1,232,476	1,028,719
Trade receivables	2,215,857	2,472,934
Factored trade receivables	10	26,033
Prepayments, deposits and other receivables	464,174	409,719
Derivative financial instruments	17,412	17,616
Pledged bank balances and time deposits	57,039	21,682
Cash and cash equivalents	550,647	862,150
	<u>4,537,605</u>	<u>4,838,853</u>
Total current assets	4,537,605	4,838,853
CURRENT LIABILITIES		
Trade and bills payables	11	1,788,103
Other payables and accruals	640,968	1,581,300
Tax payable	127,381	834,541
Bank advances on factored trade receivables	10	-
Interest-bearing bank borrowings	656,010	26,033
	<u>3,212,462</u>	<u>760,690</u>
Total current liabilities	3,212,462	3,322,070
NET CURRENT ASSETS		
	<u>1,325,143</u>	<u>1,516,783</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		
	<u>6,574,708</u>	<u>6,589,532</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	1,226,364	1,352,763
Deferred tax liabilities	8,833	11,280
	<u>1,235,197</u>	<u>1,364,043</u>
Total non-current liabilities	1,235,197	1,364,043
Net assets	<u>5,339,511</u>	<u>5,225,489</u>
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	12	113,291
Reserves	4,382,895	113,291
Proposed final dividend	-	4,184,984
	<u>4,496,186</u>	<u>90,633</u>
Non-controlling interests	843,325	4,388,908
	<u>5,339,511</u>	<u>836,581</u>
Total equity	5,339,511	5,225,489

CONDENSED CONSOLIDATED SUMMARY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011

Attributable to equity holders of the Company

	Share		Employee	Statutory	Exchange	Available-	Proposed	Non-	Total	Total			
	Issued	premium	share-								Capital	reserve	investment
	capital	account	surplus	reserve	reserve	fund	reserve	retained	revaluation	dividend	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	
(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
Profit for the period	-	-	-	-	-	-	-	302,104	-	-	302,104	25,691	327,795
Other comprehensive income/ (loss) for the period:													
Change in fair value of available-for-sale investment, net of tax	-	-	-	-	-	-	-	-	(4,926)	-	(4,926)	-	(4,926)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	28,707	-	-	-	28,707	10,931	39,638
Total comprehensive income for the period	-	-	-	-	-	28,707	302,104	(4,926)	-	325,885	36,622	362,507	
Capital injection from a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	169,602	169,602	
Acquisition of non-controlling interests	-	-	-	-	424	-	-	-	-	-	424	(16,422)	(15,998)
Deemed acquisition of non-controlling interests	-	-	-	-	1,932	-	-	-	-	-	1,932	(1,932)	-
Share-based compensation arrangements	-	-	-	13,338	-	-	-	-	-	-	13,338	-	13,338
2009 final 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
(Unaudited)													
At 1 January 2011	113,291	690,137	190,201	59,771	363,744	125,628	436,812	2,301,818	16,873	90,633	4,388,908	836,581	5,225,489
Profit for the period	-	-	-	-	-	-	-	110,742	-	-	110,742	(12,722)	98,020
Other comprehensive income/ (loss) for the period:													
Change in fair value of available-for-sale investment, net of tax	-	-	-	-	-	-	-	-	(10,809)	-	(10,809)	-	(10,809)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	84,844	-	-	-	84,844	19,466	104,310
Total comprehensive income for the period	-	-	-	-	-	-	84,844	110,742	(10,809)	-	184,777	6,744	191,521
Share-based compensation arrangements	-	-	-	13,134	-	-	-	-	-	-	13,134	-	13,134
2010 final dividend declared	-	-	-	-	-	-	-	-	(90,633)	(90,633)	-	-	(90,633)
At 30 June 2011	113,291	690,137	190,201	72,905	363,744	125,628	521,656	2,412,560	6,064	-	4,496,186	843,325	5,339,511

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011



For the six months
ended 30 June

	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
NET CASH FLOWS FROM OPERATING ACTIVITIES	381,080	716,895
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(385,713)	(585,033)
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES	(321,711)	265,742
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(326,344)	397,604
Cash and cash equivalents at beginning of period	862,150	608,422
Effect of foreign exchange rate changes, net	14,841	40,851
CASH AND CASH EQUIVALENTS AT END OF PERIOD	550,647	1,046,877
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	550,647	1,046,877

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011



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 2010, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) that affect 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 – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters</i>
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i>
HKAS 24 (Revised)	<i>Related Party Disclosures</i>
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Classification of Rights Issues</i>
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i>
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i>

Apart from the above, the HKICPA has issued Improvements to HKFRSs 2010 which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Amendments to HKFRS 1, HKFRS 3, HKFRS 7, HKAS 1, HKAS 27, HKAS 34 and HK(IFRIC)-Int 13 are effective for the reporting period.

Other than as further explained below regarding the impact of HKAS 34, the adoption of the above new and revised HKFRSs did not have any material effect on the financial position or performance of the Group, nor resulted in restatement of comparative figures.

HKAS 34 Interim Financial Statements: The amendment requires additional disclosures for fair values and changes in classification of financial assets. The Group has illustrated those amendments in note 19.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011



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:

	For the six months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
The People's Republic of China (the "PRC"), excluding Hong Kong	3,248,829	3,404,650
The Republic of China (the "ROC")	125,913	111,008
Others	280,064	61,054
	<u>3,654,806</u>	<u>3,576,712</u>

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

INFORMATION ABOUT MAJOR CUSTOMERS

Revenue of approximately HK\$1,194,501,000, HK\$1,062,638,000 and HK\$427,974,000 for the period ended 30 June 2011 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\$1,357,815,000, 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.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011

3. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Interest income	10,741	4,802
Sale of scrap materials	34,300	26,415
Exchange gains, net	22,533	6,345
Subsidy income	–	4,811
Others	4,218	8,679
	<u>71,792</u>	<u>51,052</u>

4. FINANCE COSTS

An analysis of finance costs is as follows:

	For the six months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Interest on bank loans and other loans wholly repayable within five years	<u>19,844</u>	<u>18,846</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u>19,844</u>	<u>18,846</u>

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011



5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Cost of inventories sold	3,325,438	2,966,246
Depreciation	243,870	195,410
Amortisation of lease premium for land	1,572	1,993
Losses on disposal of items of property, plant and equipment, net	<u>1,310</u>	<u>590</u>

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 2010: 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	
	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Provision for the Period		
Current – The PRC, excluding Hong Kong		
Charge for the Period	17,612	41,736
(Overprovision)/underprovision in prior years	(314)	4,641
Current – Overseas		
Charge for the Period	12,289	19,057
Overprovision in prior years	(5,465)	(188)
Tax refund	(7,245)	–
Deferred tax	(240)	(206)
Total tax charge for the Period	<u>16,637</u>	<u>65,040</u>

7. INTERIM DIVIDEND

The Directors did not propose to declare an interim dividend for the Period (six months ended 30 June 2010: Nil).

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011

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\$110,742,000 (six months ended 30 June 2010: HK\$302,104,000) and the weighted average number of 1,132,914,000 (six months ended 30 June 2010: 1,117,898,000) 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\$110,742,000 (six months ended 30 June 2010: HK\$302,104,000). The weighted average number of ordinary shares used in the calculation is the 1,132,914,000 (six months ended 30 June 2010: 1,117,898,000) ordinary shares in issue during the Period, as used in the basic earnings per share calculation, and the weighted average number of 9,583,543 (six months ended 30 June 2010: 58,939,158) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

9. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of HK\$315,849,000 (six months ended 30 June 2010: HK\$486,608,000) and disposed of property, plant and equipment of HK\$51,622,000 (six months ended 30 June 2010: HK\$15,946,000).

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 2011 (Unaudited) HK\$'000	As at 31 December 2010 (Audited) HK\$'000
TRADE RECEIVABLES		
Within 3 months	1,733,724	1,712,833
4 to 6 months	427,444	744,594
7 to 12 months	49,876	13,244
Over 1 year	4,813	2,263
	<u>2,215,857</u>	<u>2,472,934</u>
FACTORED TRADE RECEIVABLES		
Within 3 months	–	17,881
4 to 6 months	–	8,152
	<u>–</u>	<u>26,033</u>

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011



10. TRADE RECEIVABLES (continued)

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

	As at 30 June 2011 (Unaudited) HK\$'000	As at 31 December 2010 (Audited) HK\$'000
Neither past due nor impaired	2,045,839	2,236,165
1 to 3 months past due	128,336	228,890
4 to 6 months past due	21,133	4,824
7 to 12 months past due	16,248	902
Over 1 year past due	4,301	2,153
	<u>2,215,857</u>	<u>2,472,934</u>

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 2010, the factored trade receivables are factored to banks on a with-recourse basis for cash.

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 2011 (Unaudited) HK\$'000	As at 31 December 2010 (Audited) HK\$'000
Within 3 months	1,493,232	1,233,995
4 – 6 months	267,844	320,505
7 – 12 months	9,926	10,478
Over 1 year	17,101	16,322
	<u>1,788,103</u>	<u>1,581,300</u>

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011

12. SHARE CAPITAL

	As at 30 June 2011 (Unaudited) HK\$'000	As at 31 December 2010 (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 1,132,914,000 shares of HK\$0.1 each	<u>113,291</u>	<u>113,291</u>

SHARE OPTIONS

Details of the Company's share option scheme, share award plan and the share options granted 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 2010 and 30 June 2011, 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

30 June 2011



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 ("HKEx") 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 HKEx'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:

	2011		2010	
	Weighted average exercise price HK\$ per share	Number of options	Weighted average exercise price HK\$ per share	Number of options
At 1 January	2.88	79,708,000	2.73	100,262,000
Lapsed during the period	3.42	(496,000)	2.99	(1,980,000)
Granted during the period	2.62	66,000,000	—	—
At 30 June	<u>2.76</u>	<u>145,212,000</u>	<u>2.72</u>	<u>98,282,000</u>

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

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011

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 2011 Number of options	Exercise price* HK\$ per share	Exercise period
76,666	1.56	7-11-2010 to 6-11-2016
14,975,334	1.56	7-11-2011 to 6-11-2016
14,653,333	2.75	7-11-2012 to 23-4-2018
14,653,333	2.75	7-11-2013 to 23-4-2018
14,653,334	2.75	7-11-2014 to 23-4-2018
4,040,000	4.15	7-11-2011 to 13-7-2019
4,040,000	4.15	7-11-2012 to 13-7-2019
4,040,000	4.15	7-11-2013 to 13-7-2019
4,040,000	4.15	7-11-2014 to 13-7-2019
4,040,000	4.15	7-11-2015 to 13-7-2019
4,333,333	2.62	7-11-2012 to 13-7-2019
4,333,333	2.62	7-11-2013 to 13-7-2019
4,333,333	2.62	7-11-2014 to 13-7-2019
17,666,667	2.62	7-11-2015 to 13-7-2019
17,666,667	2.62	7-11-2016 to 13-7-2019
17,666,667	2.62	7-11-2017 to 13-7-2019
145,212,000		
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		

* 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.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011



13. EQUITY COMPENSATION PLANS (continued)

(B) SHARE OPTION SCHEME (continued)

The fair value of the share options granted during the Period was HK\$53,657,000. The Group recognised a share option expense of HK\$13,134,000 (six months ended 30 June 2010: HK\$13,338,000) during the Period in respect of share options granted in the current and prior periods.

The fair value of equity-settled share options granted during the Period was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	3.20
Expected volatility (%)	58.88 – 61.80
Risk-free interest rate (%)	1.25 – 2.24
Weighted average expected life of options (year)	3.73 – 7.12
Underlying price per share (HK\$)	2.50

The expected life of the options is based on the directors' estimation and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

14. CONTINGENT LIABILITIES

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

15. PLEDGE OF ASSETS

As at 30 June 2011, the Group did not have any leasehold land and buildings and machineries pledged to secure banking facilities granted to the Group (31 December 2010: HK\$29,491,000).

As at 30 June 2011 and 31 December 2010, shares of certain subsidiaries were pledged to secure banking facilities granted to the Group.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011

16. 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:

	As at 30 June 2011 (Unaudited) HK\$'000	As at 31 December 2010 (Audited) HK\$'000
Within one year	11,435	14,181
In the second to fifth years, inclusive	10,235	11,206
After five years	92	—
	<u>21,762</u>	<u>25,387</u>

17. COMMITMENTS

In addition to the operating lease commitments detailed in note 16 above, the Group had the following commitments at the end of the reporting period:

	As at 30 June 2011 (Unaudited) HK\$'000	As at 31 December 2010 (Audited) HK\$'000
Contracted, but not provided for:		
Land and buildings	75,335	26,047
Machinery	357,910	294,218
	<u>433,245</u>	<u>320,265</u>
Total capital commitments		

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011



18. RELATED PARTY TRANSACTIONS

(A) THE GROUP HAD THE FOLLOWING MATERIAL RELATED PARTY TRANSACTIONS DURING THE PERIOD:

		For the six months ended 30 June	
	Notes	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Purchase of production materials from:			
San Li Company Limited ("San Li")	(1),(i)	240	205
Sunrise Plastic Injection Company Limited ("Sunrise")	(2),(i)	57	34
Jiang Su Inoac Juteng Polymer Co., Ltd ("Jiang Su Inoac Juteng")	(3),(i)	1,227	-
Sale of finished goods to:			
San Li	(ii)	982	354
Sunrise	(ii)	11	35
Jiang Su Inoac Juteng	(ii)	5,583	-
Rental expenses paid to:			
Ms. Lin Mei-Li	(4),(iii)	33	30

Notes:

- (1) San Li is controlled by Mr. Cheng Li-Yu, a director of the Company.
- (2) Sunrise is controlled by Mr. Cheng Li-Yen, a director of the Company, and his family members.
- (3) Jiang Su Inoac Juteng is an associate of the Group.
- (4) 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.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011



18. RELATED PARTY TRANSACTIONS (continued)

(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 2011 (Unaudited) HK\$'000	As at 31 December 2010 (Audited) HK\$'000
Trade receivables:		
San Li	812	437
Sunrise	5	34
Jiang Su Inoac Juteng	5,201	–
	<u>6,018</u>	<u>471</u>
Trade and bills payables:		
San Li	112	49
Sunrise	264	267
Jiang Su Inoac Juteng	854	–
	<u>1,230</u>	<u>316</u>

(C) COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

For the six months
ended 30 June

	2011 (Unaudited) HK\$'000	2010 (Unaudited) HK\$'000
Short term employee benefits	3,297	2,985
Employee share-based compensation expenses	3,215	2,855
Total compensation paid to key management personnel	<u>6,512</u>	<u>5,840</u>

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2011



19. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts of the Group's financial instruments as at 30 June 2011 and 31 December 2010 are approximate to their fair values.

The Group uses fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities for determining and disclosing the fair value of financial instruments. As at 30 June 2011, the Group's financial instruments which comprise an available-for-sale investment and derivative financial instruments were measured at fair value.

20. EVENT AFTER THE REPORTING PERIOD

On 18 July 2011, the Company and certain of its subsidiaries entered into a US\$120 million (approximately HK\$934 million) three-year loan facilities agreement, including (i) US\$60 million (approximately HK\$467 million) term loan facility, and (ii) US\$60 million (approximately HK\$467 million) revolving loan facility with certain banks. The loan facilities agreement has a two-year extension option to increase the tenor to five years. The proceeds of the facilities agreement would be used for the Group's expansion of manufacturing capacity, general working capital and repayment of existing bank loans.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW & PROSPECT

In the first half of 2011, global economy was still on a slow and rocky road to recovery. The U.S. economy remained weak while the European sovereign debt crisis was deepening. The Japanese economy was hit hard by the massive earthquake and tsunami. As a result, consumers' confidence and spending in these developed countries contracted, which dragged down notebook computer sales in their markets. Nevertheless, notebook computer sales in emerging markets such as China and India remained robust, which had made up for the poor sales in the U.S., Europe and Japan. Therefore, Ju Teng recorded a slight increase in revenue during the Period.

Despite its revenue growth, the Group recorded a substantial drop in profit during the Period. This was mainly caused by the immense popularity achieved by iPad since the second half of 2010, which not only slowed conventional notebook computer sales but also led other manufacturers to adopt a low-price strategy and subsequently launch their own versions of cheap tablet PC. Inevitably, this trend had an impact on the average selling price of the Group's casing products and caused a decline in its gross profit margin since the second half of last year. The Group's profitability was also affected by China's rising labor costs and appreciation of the Renminbi ("RMB"), which led to an increase in operating costs.

Notwithstanding profit disappointment in the first half of 2011, the Group's gross profit margin of 8.4% for the Period showed improvement when compared to that of the second half of 2010, which was attributable to the strategic adjustment made by Ju Teng in response to market conditions in the second half of last year. Previously, Ju Teng implemented a competitive pricing strategy that aimed to achieve greater volume of sales. However, the Group has decided to shift its focus to high-end casing products for better profit margin. In the first quarter of 2011, the Group reduced the production of old model casings gradually and then launched a number of new products with higher gross profit margin in April. With old and new models each accounted for approximately 50% of the total shipment volume in the second quarter of this year, the Group's gross profit margin improved gradually in the same quarter.

Adhering to its strategy that focuses on high-end products, Ju Teng already signed a cooperation agreement with a Japanese company last year for production of extremely lightweight and durable casings made of carbon fiber, a high-tech material often found in luxury sedans and airplanes. As the cooperation project went well during the Period, the Group expects its carbon fiber casings to be ready for shipment in the fourth quarter of 2011, which will contribute to Ju Teng's results in the second half of this year.

Last year, Ju Teng also made a strategic policy shift on its production base by venturing into the Western China. During the Period, the Group commenced construction work on the first phase of a new production facility in Sichuan Province, which is expected to be operational by early 2012. As the new factory in Sichuan can provide comparative advantage in labor costs over its counterparts in coastal areas while enjoying certain subsidy policies offered by the local government, the Group expects that it will make a positive contribution to Ju Teng's earnings in the future.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW & PROSPECT (continued)

Looking forward to the second half of 2011, management remains cautious of the Group's business outlook, but nonetheless believes that Ju Teng has sailed through the most turbulent times in its corporate history. Since many order contracts signed between the Group and its clients will expire in the third quarter of 2011, the Group plans to launch more new products with their prices adjust upward, which aims to boost its gross profit margin in the second half of the year. In fact, with retrospect to the operating environment of the notebook computer casing industry in the first half of 2011, many manufacturers already rejected low-margin orders as rising production costs had exerted huge pressure on their operations. Thus, management believes that the cut-throat competition among industry players has already come to an end, which is beneficial to the healthy development of the industry. Furthermore, management also noticed that some manufacturers have begun making an exit from the casing industry due to the intense competition, which is highly advantageous to the Ju Teng's further advancement as management believes in the law of survival of the fittest. Taking advantage of its undisputed leadership in the global notebook computer casing industry, Ju Teng is determined to achieve higher market share in the coming years.

In terms of sales, given the fact that back-to-school shopping season in September and the year-end Christmas holidays are traditional peak seasons for notebook computers, the Group expects its revenue in the second half of 2011 to increase over the first half of the year. In addition, management also expects that replacement demand for business notebook computer driven by Windows 7 will continue as its users are more willing to invest in its powerful functions, thereby helping its sales increase outpace that of conventional notebook computers. With this projection in mind, management is considering the installation of new production facilities for business notebook computer in the Group's existing factories, with an aim to increase its production capacity and enhance its earnings.

In terms of industry trend, Intel has recently announced its invention of Ultrabook, a new class of super-thin and powerful laptop, and the establishment of a US\$300 million fund to foster the development of technologies and innovation for this latest breed of mobile PC which combines superiority in portability and functionality with ultra sleek casing. With its much anticipated launch in the third quarter of this year, Ultrabook is expected to bring fresh excitement to buyers and revitalize the sluggish market of notebook computers, thereby becoming an important growth driver for the notebook computer industry as well as its related sectors such as casings. By maintaining a close cooperation with laptop manufacturers and developing more casings tailor-made for Ultrabook, Ju Teng will capitalize on this industry trend and expand further.



MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the Period, the Group's revenue recorded a slight increase of 2.2% to approximately HK\$3,655 million (2010: HK\$3,577 million). This was mainly attributable to outstanding sales performance in emerging markets, which effectively offset the poor sales in the U.S., European and Japan's markets. The overall gross profit margin dropped to 8.4% (2010: 16.8%) due to a decrease in the average selling price of casing products, rising labor costs and appreciation of RMB.

The Group recorded an increase of 1.1% in operating costs and other operating expenses, including administrative expenses, selling and distribution costs and other expenses to approximately HK\$243 million (2010: HK\$240 million), accounting for 6.6% (2010: 6.7%) of the Group's turnover.

Finance costs increased by 5.3% to approximately HK\$20 million (2010: HK\$19 million) for the Period as compared to that of the same period in 2010, which was due to an increase in borrowing costs.

The profit attributable to equity holders for the Period amounted to approximately HK\$111 million, representing a decrease of 63.3% when compared to same period last year (2010: HK\$302 million), which was mainly attributable to the drop in the Group's gross profit margin.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2011, total bank borrowings of the Group amounted to approximately HK\$1,882 million (31 December 2010: HK\$2,113 million), representing a decrease of 10.9% as compared to that of 31 December 2010. The Group's bank borrowings include short-term loans with 1-year maturity and 3-year revolving syndicated loans. As at 30 June 2011, the Group's bank loans denominated in USD and New Taiwan Dollars are carrying the amounts of approximately HK\$1,867 million (31 December 2010: HK\$2,110 million) and approximately HK\$15 million (31 December 2010: HK\$3 million) respectively.

During the Period, the Group's cashflow from operating activities decreased to approximately HK\$381 million from HK\$717 million during the same period last year due to a decrease in profit before tax from operating activities. 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\$386 million (2010: HK\$585 million). During the Period, due to repayment of bank loans, the Group recorded a net cash outflow from financing activities of approximately HK\$322 million (2010: net cash inflow of HK\$266 million). As at 30 June 2011, the Group had cash and bank balances of approximately HK\$551 million (31 December 2010: HK\$862 million).

As at 30 June 2011, the Group's gearing ratio, calculated as total bank borrowings of approximately HK\$1,882 million (31 December 2010: HK\$2,113 million) divided by total assets of approximately HK\$9,787 million (31 December 2010: HK\$9,912 million) was 19.2% (31 December 2010: 21.3%). The gearing ratio was slightly decreased due to early settlement of a long-term loan.



MANAGEMENT DISCUSSION AND ANALYSIS

PLEDGE OF ASSETS

As at 30 June 2011, the Group did not pledge any leasehold land, buildings or machineries (31 December 2010: HK\$29 million) to secure banking facilities granted to the Group.

As at 30 June 2011 and 31 December 2010, shares of certain subsidiaries 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 2011, the Group had approximately 36,000 employees. The Group recorded staff costs of approximately HK\$711 million (2010: HK\$544 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 2011, 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\$433 million (31 December 2010: HK\$320 million).

CONTINGENT LIABILITIES

As at 30 June 2011, the Group did not have any significant contingent liabilities.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2011, 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")) 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 HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 to the Rules (the "Listing Rules") Governing the Listing of Securities on the HKEx 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)	289,420,986 (L) ordinary Shares	25.55%
	Beneficial owner	24,702,000 (L) ordinary Shares	2.18%
	Interest of spouse (Note 3)	10,518,046 (L) ordinary Shares	0.93%
Mr. Cheng Li-Yen	Beneficiary of a trust (Note 2)	289,420,986 (L) ordinary Shares	25.55%
Mr. Huang Kuo-Kuang	Beneficial owner	4,423,866 (L) ordinary Shares	0.39%
	Interest of spouse (Note 4)	2,950,631 (L) ordinary Shares	0.26%
Mr. Hsieh Wan-Fu	Beneficial owner	2,354,432(L) ordinary Shares	0.21%
Mr. Lo Jung-Te	Beneficial owner	6,265,942 (L) ordinary Shares	0.55%
Mr. Tsui Yung Kwok	Beneficial owner	3,464,000 (L) ordinary Shares	0.31%

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY (continued)

(I) INTERESTS IN SHARES (CONTINUED)

Notes:

1. The letter "L" denotes a long position in the Shares.
2. 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.
3. 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.
4. 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	0.19%
Mr. Cherng Chia-Jiun	Beneficial owner	35,000 (L) (Note 5)	7 November 2012 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2013 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2014 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2015 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2016 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2017 to 13 July 2019	HK\$2.62	0.00% (Note 6)

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY (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. Huang Kuo-Kuang	Beneficial owner	1,000,000 (L) (Note 3)	7 November 2011 to 6 November 2016	HK\$1.56	0.08% (Note 6)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2012 to 23 April 2018	HK\$2.75	0.02% (Note 6)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2013 to 23 April 2018	HK\$2.75	0.02% (Note 6)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2014 to 23 April 2018	HK\$2.75	0.02% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2015 to 13 July 2019	HK\$2.62	0.02% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2016 to 13 July 2019	HK\$2.62	0.02% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2017 to 13 July 2019	HK\$2.62	0.02% (Note 6)
Mr. Hsieh Wan-Fu	Beneficial owner	500,000 (L) (Note 3)	7 November 2011 to 6 November 2016	HK\$1.56	0.04% (Note 6)
	Beneficial owner	554,000 (L) (Note 4)	7 November 2012 to 23 April 2018	HK\$2.75	0.04% (Note 6)
	Beneficial owner	554,000 (L) (Note 4)	7 November 2013 to 23 April 2018	HK\$2.75	0.04% (Note 6)
	Beneficial owner	554,000 (L) (Note 4)	7 November 2014 to 23 April 2018	HK\$2.75	0.04% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2015 to 13 July 2019	HK\$2.62	0.02% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2016 to 13 July 2019	HK\$2.62	0.02% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2017 to 13 July 2019	HK\$2.62	0.02% (Note 6)

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY (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 2011 to 6 November 2016	HK\$1.56	0.04% (Note 6)
	Beneficial owner	554,000 (L) (Note 4)	7 November 2012 to 23 April 2018	HK\$2.75	0.04% (Note 6)
	Beneficial owner	554,000 (L) (Note 4)	7 November 2013 to 23 April 2018	HK\$2.75	0.04% (Note 6)
	Beneficial owner	554,000 (L) (Note 4)	7 November 2014 to 23 April 2018	HK\$2.75	0.04% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2015 to 13 July 2019	HK\$2.62	0.02% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2016 to 13 July 2019	HK\$2.62	0.02% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2017 to 13 July 2019	HK\$2.62	0.02% (Note 6)
Mr. Tsai Wen-Yu	Beneficial owner	35,000 (L) (Note 5)	7 November 2012 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2013 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2014 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2015 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2016 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2017 to 13 July 2019	HK\$2.62	0.00% (Note 6)

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY (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. Tsui Yung Kwok	Beneficial owner	1,334 (L) (Note 3)	7 November 2010 to 6 November 2016	HK\$1.56	0.00% (Note 6)
	Beneficial owner	332,666 (L) (Note 3)	7 November 2011 to 6 November 2016	HK\$1.56	0.03% (Note 6)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2012 to 23 April 2018	HK\$2.75	0.02% (Note 6)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2013 to 23 April 2018	HK\$2.75	0.02% (Note 6)
	Beneficial owner	252,000 (L) (Note 4)	7 November 2014 to 23 April 2018	HK\$2.75	0.02% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2015 to 13 July 2019	HK\$2.62	0.02% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2016 to 13 July 2019	HK\$2.62	0.02% (Note 6)
	Beneficial owner	250,000 (L) (Note 5)	7 November 2017 to 13 July 2019	HK\$2.62	0.02% (Note 6)
Mr. Yip Wai Ming	Beneficial owner	35,000 (L) (Note 5)	7 November 2012 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2013 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2014 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2015 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2016 to 13 July 2019	HK\$2.62	0.00% (Note 6)
	Beneficial owner	35,000 (L) (Note 5)	7 November 2017 to 13 July 2019	HK\$2.62	0.00% (Note 6)

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY (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 depositary receipts on the Taiwan Stock Exchange Corporation, representing 2,194,000 Shares of the Company.
3. The long position in the underlying Shares comprised 1,000,000, 500,000, 500,000 and 334,000 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 (the "Share Option Scheme") of the Company and such share options remained outstanding as at 30 June 2011.
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 2011.
5. The long position in the underlying Shares comprised 210,000, 750,000, 750,000, 750,000, 210,000, 750,000 and 210,000 options granted to Mr. Cherng Chia-Jiun, Mr. Huang Kuo-Kuang, Mr. Hsieh Wan-Fu, Mr. Lo Jung-Te, Mr. Tsai Wen-Yu, Mr. Tsui Yung Kwok and Mr. Yip Wai Ming respectively by the Company on 3 May 2011 under the Share Option Scheme and such share options remained outstanding as at 30 June 2011.
6. This percentage was calculated on the basis of 1,278,126,000 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 2011, 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 (within the meaning of Part XV of the SFO) 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 HKEx pursuant to the Model Code.

OTHER INFORMATION

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in note 13 to the financial information, at no time during the Period were there rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or minor children (natural or adopted), or were such rights exercised by them; nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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				At 30 June 2011	Grant date (Note 1)	Exercise period	Exercise price per Share (Note 2)	Price per Share at grant date (Note 3)
	At 1 January 2011	Granted during the Period	Exercised during the Period	Lapsed during the Period					
Directors									
Mr. Cherng Chia-Jiun	-	35,000	-	-	35,000	3-5-2011	7-11-2012 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2013 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2014 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2015 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2016 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2017 to 13-7-2019	HK\$2.62	HK\$2.62
	-	210,000	-	-	210,000				
Mr. Huang Kuo-Kuang	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
	-	250,000	-	-	250,000	3-5-2011	7-11-2015 to 13-7-2019	HK\$2.62	HK\$2.62
	-	250,000	-	-	250,000	3-5-2011	7-11-2016 to 13-7-2019	HK\$2.62	HK\$2.62
	-	250,000	-	-	250,000	3-5-2011	7-11-2017 to 13-7-2019	HK\$2.62	HK\$2.62
	1,756,000	750,000	-	-	2,506,000				

OTHER INFORMATION

SHARE OPTION SCHEME (continued)



Name or category of participant	Number of share options				At 30 June 2011	Grant date (Note 1)	Exercise period	Exercise price per Share (Note 2)	Price per Share at grant date (Note 3)
	At 1 January 2011	Granted during the Period	Exercised during the Period	Lapsed during the Period					
Directors (continued)									
Mr. Hsieh Wan-Fu	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
	-	250,000	-	-	250,000	3-5-2011	7-11-2015 to 13-7-2019	HK\$2.62	HK\$2.62
	-	250,000	-	-	250,000	3-5-2011	7-11-2016 to 13-7-2019	HK\$2.62	HK\$2.62
	-	250,000	-	-	250,000	3-5-2011	7-11-2017 to 13-7-2019	HK\$2.62	HK\$2.62
	<u>2,162,000</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>2,912,000</u>				
Mr. Lo Jung-Te	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
	-	250,000	-	-	250,000	3-5-2011	7-11-2015 to 13-7-2019	HK\$2.62	HK\$2.62
	-	250,000	-	-	250,000	3-5-2011	7-11-2016 to 13-7-2019	HK\$2.62	HK\$2.62
	-	250,000	-	-	250,000	3-5-2011	7-11-2017 to 13-7-2019	HK\$2.62	HK\$2.62
	<u>2,162,000</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>2,912,000</u>				
Mr. Tsai Wen-Yu	-	35,000	-	-	35,000	3-5-2011	7-11-2012 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2013 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2014 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2015 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2016 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2017 to 13-7-2019	HK\$2.62	HK\$2.62
	-	210,000	-	-	210,000				
	<u>-</u>	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>210,000</u>				
Mr. Tsui Yung Kwok	1,334	-	-	-	1,334	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
	-	250,000	-	-	250,000	3-5-2011	7-11-2015 to 13-7-2019	HK\$2.62	HK\$2.62
	-	250,000	-	-	250,000	3-5-2011	7-11-2016 to 13-7-2019	HK\$2.62	HK\$2.62
	-	250,000	-	-	250,000	3-5-2011	7-11-2017 to 13-7-2019	HK\$2.62	HK\$2.62
	<u>1,090,000</u>	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>1,840,000</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 2011	Granted during the Period	Exercised during the Period	Lapsed during the Period	At 30 June 2011				
Directors (continued)									
Mr. Yip Wai Ming	-	35,000	-	-	35,000	3-5-2011	7-11-2012 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2013 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2014 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2015 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2016 to 13-7-2019	HK\$2.62	HK\$2.62
	-	35,000	-	-	35,000	3-5-2011	7-11-2017 to 13-7-2019	HK\$2.62	HK\$2.62
	-	<u>210,000</u>	-	-	<u>210,000</u>				
Other employees									
In aggregate	76,666	-	-	(1,334)	75,332	7-11-2006	7-11-2010 to 6-11-2016	HK\$1.56	HK\$1.56
	12,679,334	-	-	(36,666)	12,642,668	7-11-2006	7-11-2011 to 6-11-2016	HK\$1.56	HK\$1.56
	13,104,000	-	-	(62,667)	13,041,333	24-4-2008	7-11-2012 to 23-4-2018	HK\$2.75	HK\$2.75
	13,104,000	-	-	(62,667)	13,041,333	24-4-2008	7-11-2013 to 23-4-2018	HK\$2.75	HK\$2.75
	13,104,000	-	-	(62,666)	13,041,334	24-4-2008	7-11-2014 to 23-4-2018	HK\$2.75	HK\$2.75
	4,094,000	-	-	(54,000)	4,040,000	14-7-2009	7-11-2011 to 13-7-2019	HK\$4.15	HK\$4.15
	4,094,000	-	-	(54,000)	4,040,000	14-7-2009	7-11-2012 to 13-7-2019	HK\$4.15	HK\$4.15
	4,094,000	-	-	(54,000)	4,040,000	14-7-2009	7-11-2013 to 13-7-2019	HK\$4.15	HK\$4.15
	4,094,000	-	-	(54,000)	4,040,000	14-7-2009	7-11-2014 to 13-7-2019	HK\$4.15	HK\$4.15
	4,094,000	-	-	(54,000)	4,040,000	14-7-2009	7-11-2015 to 13-7-2019	HK\$4.15	HK\$4.15
	-	4,228,333	-	-	4,228,333	3-5-2011	7-11-2012 to 13-7-2019	HK\$2.62	HK\$2.62
	-	4,228,333	-	-	4,228,333	3-5-2011	7-11-2013 to 13-7-2019	HK\$2.62	HK\$2.62
	-	4,228,333	-	-	4,228,333	3-5-2011	7-11-2014 to 13-7-2019	HK\$2.62	HK\$2.62
	-	16,561,667	-	-	16,561,667	3-5-2011	7-11-2015 to 13-7-2019	HK\$2.62	HK\$2.62
	-	16,561,667	-	-	16,561,667	3-5-2011	7-11-2016 to 13-7-2019	HK\$2.62	HK\$2.62
	-	16,561,667	-	-	16,561,667	3-5-2011	7-11-2017 to 13-7-2019	HK\$2.62	HK\$2.62
	<u>72,538,000</u>	<u>62,370,000</u>	-	<u>(496,000)</u>	<u>134,412,000</u>				
	<u>79,708,000</u>	<u>66,000,000</u>	-	<u>(496,000)</u>	<u>145,212,000</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 HKEx 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 2011, 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 were as follows:

Name of shareholder	Capacity and nature of interest	Number and class of Shares held (Note 1)	Approximate percentage of shareholding
Southern Asia	Beneficial owner	289,420,986 (L) ordinary Shares	25.55%
Shine Century Assets Corp. (Note 2)	Interest of a controlled corporation	289,420,986 (L) ordinary Shares	25.55%
East Asia International Trustees Limited (Note 2)	Trustee (other than a bare trustee)	289,420,986 (L) ordinary Shares	25.55%
Ms. Lin Mei-Li (Note 3)	Beneficial owner	10,518,046 (L) ordinary Shares	0.93%
	Interest of spouse	314,122,986 (L) ordinary Shares	27.73%
AllianceBernstein L.P.	Investment manager	68,305,000 (L) ordinary Shares	6.03%
	Interest of a controlled corporation (Note 4)	180,000 (L) ordinary Shares	0.02%

Notes:

- The letter "L" denotes a long position in the Share.
- 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, underlying Shares and debentures of the Company" above.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (continued)

Notes: (continued)

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. AllianceBernstein L.P. was interested in these Shares through its 100% control in AllianceBernstein Corporation of Delaware. AllianceBernstein L.P. was deemed to be interested in all the Shares in which AllianceBernstein Corporation of Delaware was interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2011, no person (other than a Director or chief executive of the Company) had registered an interest or short position 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.

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 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 Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules. 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 2010.

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.

OTHER INFORMATION

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. 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.

EVENT AFTER THE REPORTING PERIOD

On 18 July 2011, the Company and certain of its subsidiaries entered into a US\$120 million three-year loan facilities agreement, including (i) US\$60 million term loan facility, and (ii) US\$60 million revolving loan facility with certain banks. The loan facilities agreement has a two-year extension option to increase the tenor to five years. The proceeds of the facilities agreement would be used for the Group's expansion of manufacturing capacity, general working capital and repayment of existing bank loans.

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

Hong Kong, 30 August 2011