



INTERIM REPORT 2012



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 (*Chairman*)
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 (*Chairman*)
Mr. Tsai Wen-Yu
Mr. Yip Wai Ming

REMUNERATION COMMITTEE

Mr. Cherng Chia-Jiun (*Chairman*)
Mr. Cheng Li-Yu
Mr. Huang Kuo-Kuang
Mr. Tsai Wen-Yu
Mr. Yip Wai Ming

NOMINATION COMMITTEE (established on 1 April 2012)

Mr. Cheng Li-Yu (*Chairman*)
(appointed on 1 April 2012)
Mr. Huang Kuo-Kuang
(appointed on 1 April 2012)
Mr. Cherng Chia-Jiun
(appointed on 1 April 2012)
Mr. Tsai Wen-Yu
(appointed on 1 April 2012)
Mr. Yip Wai Ming
(appointed on 1 April 2012)

CORPORATE GOVERNANCE COMMITTEE (established on 1 April 2012)

Mr. Yip Wai Ming (*Chairman*)
(appointed on 1 April 2012)
Mr. Cheng Li-Yu
(appointed on 1 April 2012)
Mr. Huang Kuo-Kuang
(appointed on 1 April 2012)
Mr. Cherng Chia-Jiun
(appointed on 1 April 2012)
Mr. Tsai Wen-Yu
(appointed on 1 April 2012)

LEGAL ADVISERS AS TO HONG KONG LAWS

Chiu & Partners

AUDITORS

Ernst & Young

PRINCIPAL BANKERS

Agricultural Bank of China
ANZ Bank
Bank of America
Bank of China
Bank of Communications
Bank SinoPac
China Development Industrial Bank
Chinatrust Commercial Bank
Citibank
DBS Bank
Fubon Bank
Industrial and Commercial Bank
of China
Jiu Sun International Commercial Bank
Mega International Commercial Bank
Standard Chartered Bank
Taishin International Bank
Yuanta Commercial Bank

CORPORATE INFORMATION

REGISTERED OFFICE

Cricket Square
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Grand Cayman KY1-1111
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HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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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
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Grand Cayman KY1-1107
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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WEBSITE

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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 present the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2012 (the "Period") as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2012

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

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2012

	Notes	30 June 2012 (Unaudited) HK\$'000	31 December 2011 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	6,309,223	5,804,675
Lease premium for land		164,449	169,154
Goodwill		39,494	37,894
Investment in an associate		-	(772)
Prepayments for acquisition of property, plant and equipment		181,981	309,492
Available-for-sale investments		25,383	24,768
Total non-current assets		6,720,530	6,345,211
CURRENT ASSETS			
Inventories		1,204,242	1,029,348
Trade receivables	10	2,943,081	2,731,863
Prepayments, deposits and other receivables		627,095	558,292
Derivative financial instruments		4,010	9,970
Pledged bank balances and time deposits		29,317	43,347
Cash and cash equivalents		450,875	654,492
Total current assets		5,258,620	5,027,312
CURRENT LIABILITIES			
Trade and bills payables	11	2,010,792	1,795,876
Other payables and accruals		817,443	921,614
Tax payable		159,676	130,492
Interest-bearing bank borrowings	12	2,145,721	540,877
Total current liabilities		5,133,632	3,388,859
NET CURRENT ASSETS		124,988	1,638,453
TOTAL ASSETS LESS CURRENT LIABILITIES		6,845,518	7,983,664
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	12	791,061	2,081,154
Deferred tax liabilities		3,938	3,799
Total non-current liabilities		794,999	2,084,953
Net assets		6,050,519	5,898,711
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	13	113,155	111,897
Reserves		4,770,381	4,540,255
Proposed final dividend		-	89,518
		4,883,536	4,741,670
Non-controlling interests			
		1,166,983	1,157,041
Total equity		6,050,519	5,898,711

CONDENSED CONSOLIDATED SUMMARY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

Attributable to equity holders of the Company

	Attributable to equity holders of the Company													
	Note	Issued capital	Share premium account	Contributed surplus	Employee share-based compensation reserve	Capital reserve	Statutory reserve	Exchange fluctuation reserve	Retained profits	Available-for-sale investment revaluation reserve	Proposed final dividend	Total	Non-controlling interests	Total 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	HK\$'000
(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
Final 2010 dividend declared		-	-	-	-	-	-	-	-	(90,633)	(90,633)	-	-	(90,633)
At 30 June 2011		<u>113,291</u>	<u>690,137</u>	<u>190,201</u>	<u>72,905</u>	<u>363,744</u>	<u>125,628</u>	<u>521,656</u>	<u>2,412,560</u>	<u>6,064</u>	<u>-</u>	<u>4,496,186</u>	<u>843,325</u>	<u>5,339,511</u>
(Unaudited)														
At 1 January 2012		111,897	672,155	100,683	88,938	365,239	125,628	627,332	2,558,443	1,837	89,518	4,741,670	1,157,041	5,898,711
Profit for the Period		-	-	-	-	-	-	-	243,893	-	-	243,893	8,066	251,959
Other comprehensive income for the Period:														
Change in fair value of available-for-sale investment, net of tax		-	-	-	-	-	-	-	-	268	-	268	-	268
Exchange differences on translation of foreign operations		-	-	-	-	-	(48,482)	-	-	-	(48,482)	(7,317)	-	(55,799)
Total comprehensive income for the Period		-	-	-	-	-	(48,482)	243,893	268	-	195,679	749	-	196,428
Issue of share capital	13	1,258	30,096	-	(11,729)	-	-	-	-	-	19,625	-	-	19,625
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(3,825)	(3,825)
Capital injection by a non-controlling shareholder		-	-	-	-	-	-	-	-	-	-	-	15,220	15,220
Deregistration of a non-wholly owned subsidiary		-	-	-	-	-	-	-	-	-	-	-	(2,202)	(2,202)
Share-based compensation arrangements		-	-	-	17,086	-	-	-	-	-	17,086	-	-	17,086
Final 2011 dividend declared		-	-	(1,006)	-	-	-	-	-	(89,518)	(90,524)	-	-	(90,524)
At 30 June 2012		<u>113,155</u>	<u>702,251</u>	<u>99,677</u>	<u>94,295</u>	<u>365,239</u>	<u>125,628</u>	<u>578,850</u>	<u>2,802,336</u>	<u>2,105</u>	<u>-</u>	<u>4,883,536</u>	<u>1,166,983</u>	<u>6,050,519</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	For the six months ended 30 June	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
NET CASH FLOWS FROM OPERATING ACTIVITIES	233,848	381,080
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(652,882)	(385,713)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	243,852	(321,711)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(175,182)	(326,344)
Cash and cash equivalents at beginning of Period	654,492	862,150
Effect of foreign exchange rate changes, net	(28,435)	14,841
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>450,875</u>	<u>550,647</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>450,875</u>	<u>550,647</u>

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

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

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

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

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

2. OPERATING SEGMENT INFORMATION

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

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

GEOGRAPHICAL INFORMATION

Revenue from external customers:

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

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

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

3. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

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

4. FINANCE COSTS

An analysis of finance costs is as follows:

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

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Cost of inventories sold	3,702,666	3,291,138
Depreciation	273,190	243,870
Amortisation of lease premium for land	2,489	1,572
Losses on disposal of items of property, plant and equipment, net	4,106	1,310
Provision for slow-moving and obsolete inventories	16,198	15,622
	<u>16,198</u>	<u>15,622</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 2011: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

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

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

7. INTERIM DIVIDEND

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

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

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

The calculation of diluted earnings per share amounts is based on the profit for the Period attributable to equity holders of the Company of HK\$243,893,000 (six months ended 30 June 2011: HK\$110,742,000). The weighted average number of ordinary shares used in the calculation is the 1,123,257,495 (six months ended 30 June 2011: 1,132,914,000) ordinary shares in issue during the Period, as used in the basic earnings per share calculation, and the weighted average number of 13,053,272 (six months ended 30 June 2011: 9,583,543) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

9. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of HK\$804,456,000 (six months ended 30 June 2011: HK\$315,849,000) and disposed of property, plant and equipment with an aggregate net book value of HK\$6,461,000 (six months ended 30 June 2011: HK\$51,622,000).

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

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

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

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

12. INTEREST-BEARING BANK BORROWINGS

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

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

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

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

13. SHARE CAPITAL

	As at 30 June 2012 (Unaudited) HK\$'000	As at 31 December 2011 (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 1,131,552,000 (31 December 2011: 1,118,972,000) shares of HK\$0.1 each	<u>113,155</u>	<u>111,897</u>

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

	Number of shares in issue of HK\$0.1 each	Issued capital HK\$'000	Share premium account HK\$'000	Total HK\$'000
At 31 December 2011 and 1 January 2012	1,118,972,000	111,897	672,155	784,052
Share options exercised under the share option scheme*	<u>12,580,000</u>	<u>1,258</u>	<u>18,367</u>	<u>19,625</u>
	1,131,552,000	113,155	690,522	803,677
Transfer from employee share-based compensation reserve	<u>–</u>	<u>–</u>	<u>11,729</u>	<u>11,729</u>
At 30 June 2012	<u>1,131,552,000</u>	<u>113,155</u>	<u>702,251</u>	<u>815,406</u>

* On 30 April 2012, the Company issued 12,580,000 shares at HK\$1.56 per share pursuant to the exercise of options under a share option scheme, resulting in the issue of 12,580,000 shares of HK\$0.1 each for a total cash consideration, before expenses, of HK\$19,625,000. An amount of HK\$11,729,000 was transferred from the employee share-based compensation reserve to the share premium account upon the exercise of the share options.

SHARE OPTIONS

Details of the Company's share option scheme and the share options granted are included in note 14 to the interim financial information.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

14. SHARE OPTION SCHEME

On 17 January 2012, the share options previously granted to its directors and certain employees of the Group of 123,424,000 share options granted on 24 April 2008, 14 July 2009 and 3 May 2011 had been cancelled and replaced (the "Cancelled Share Options").

The Company had granted 110,148,000 new share options under the share option scheme (the "Scheme") to holders of the Cancelled Share Options to subscribe for a total of 110,148,000 shares in the replacement of the Cancelled Share Options held by them.

The Directors considered that the exercise price for the Cancelled Share Options was higher than the recent market prices of the shares; the Cancelled Share Options could no longer serve the purpose of providing incentives or rewards to the holders thereof. The replacement by the new share options, by bringing the exercise price (being HK\$0.97 per share) to the current trading price level of the shares, would better serve the purpose of the Scheme in providing incentives or rewards to eligible participants to contribute to the success of the Group's operations.

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

	2012		2011	
	Weighted average exercise price HK\$ per share	Number of options	Weighted average exercise price HK\$ per share	Number of options
At 1 January	2.75	141,022,000	2.88	79,708,000
Exercised during the Period	1.56	(12,580,000)	–	–
Lapsed during the Period	3.04	(3,384,000)	3.42	(496,000)
Cancelled and replaced during the Period	2.88	(123,424,000)	–	–
Granted during the Period	0.97	111,858,000	2.62	66,000,000
At 30 June	0.98	113,492,000	2.76	145,212,000

The fair value of the Cancelled Share Options and the incremental fair value of the replaced share options were HK\$14,286,000 and HK\$14,119,000 respectively. The Group recognised a share option expense of HK\$17,086,000 (six months ended 30 June 2011: HK\$13,134,000) during the Period in respect of share options granted/replaced in the current and prior periods.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

14. SHARE OPTION SCHEME (continued)

The fair value of the Cancelled Share Options and the incremental fair value of the replaced share options were estimated as at the date of replacement, using a binomial model (six months ended 30 June 2011: Black-Scholes option pricing model), taking into account the terms and conditions upon which the options were granted/replaced. The following table lists the inputs to the model used:

	For the six months ended 30 June	
	2012	2011
Dividend yield (%)	8.25	3.2
Expected volatility (%)	58.26	58.88 – 61.80
Historical volatility (%)	58.26	58.88 – 61.80
Risk-free interest rate (%)	1.01 – 1.22	1.25 – 2.24
Weighted average expected life of options (year)	6.27 – 7.87	3.73 – 7.12
Underlying price per share (HK\$)	0.97	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.

15. BUSINESS COMBINATION

In December 2011, the Group committed to further acquire 13.17% equity interest in an associate, Jiang Su Inoac Juteng Polymer Co., Ltd ("Jiang Su Inoac Juteng") to increase the total equity interest to 62.17%. Jiang Su Inoac Juteng, a company incorporated in the PRC, which is principally engaged in the sales of materials for the manufacture of notebook computers casings with manufacturing facilities located in Jurong City of Jiangsu Province, the PRC. The consideration for the acquisition was in the form of cash of approximately HK\$6,135,000 (US\$790,000) which has been paid. The acquisition was completed in January 2012. Upon completion of the acquisition, Jiang Su Inoac Juteng became a 62.17% owned subsidiary of the Group.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

15. BUSINESS COMBINATION (continued)

The fair values of the identifiable assets and liabilities of Jiang Su Inoac Juteng as at the date of acquisition determined was as follows:

	Fair value recognised on acquisition <i>HK\$'000</i>
Property, plant and equipment	6,153
Inventories	3,136
Trade receivables	3,135
Cash and cash equivalents	874
Prepayments, deposits and other receivables	34,919
Trade and bills payables	(17,685)
Other payables and accruals	(409)
Non-controlling interests	(11,396)
	<u>18,727</u>
Goodwill on deemed acquisition	<u>2,168</u>
	<u>20,895</u>
Satisfied by:	
Cash	6,135
Reclassification from an interest in an associate to an investment in a subsidiary	<u>14,760</u>
	<u>20,895</u>

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

	<i>HK\$'000</i>
Cash consideration	(6,135)
Cash and cash equivalents acquired	<u>874</u>
Net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary	<u>(5,261)</u>

Since its acquisition, Jiang Su Inoac Juteng contributed HK\$24,253,000 to the Group's turnover and HK\$1,275,000 to the profit attributable to equity holders of the Company for the Period.

Had the combination taken place at the beginning of the Period, the Group's turnover and profit for the Period would have had no significant difference as compared to the amounts reflected in the condensed consolidated income statement.

16. CONTINGENT LIABILITIES

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

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

17. PLEDGE OF ASSETS

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

As at 30 June 2012 and 31 December 2011, shares of certain subsidiaries were pledged to secure banking facilities granted to the Group.

18. OPERATING LEASE COMMITMENTS

The Group leases certain of its office, warehouses properties and motor vehicles under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three 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 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Audited) HK\$'000
Within one year	7,110	12,192
In the second to fifth years, inclusive	5,251	5,560
	12,361	17,752

19. COMMITMENTS

In addition to the operating lease commitments detailed in note 18 above, the Group had the following commitments at the end of the reporting period:

	As at 30 June 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Audited) HK\$'000
Contracted, but not provided for:		
Land and buildings	385,521	68,805
Machinery and office equipment	354,192	469,576
Capital injection to an associate	-	21,355
Total capital commitments	739,713	559,736

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

20. RELATED PARTY TRANSACTIONS

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

		For the six months ended 30 June	
	Notes	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Purchase of plant and equipment from: San Li Company Limited ("San Li")	(1), (i)	21,456	-
Purchase of production materials from: San Li	(ii)	357	240
Sunrise Plastic Injection Company Limited ("Sunrise")	(2), (ii)	-	57
Jiang Su Inoac Juteng	(3), (ii)	-	1,227
Sale of finished goods to: San Li	(iii)	1,468	982
Sunrise	(iii)	-	11
Jiang Su Inoac Juteng	(iii)	-	5,583
Rental expenses paid to: Ms. Lin Mei-Li	(4), (iv)	<u>32</u>	<u>33</u>

Notes:

- (1) San Li is controlled by Mr. Cheng Li-Yu, a director of the Company.
 - (2) Sunrise was controlled by Mr. Cheng Li-Yen, a director of the Company, and his family members.
 - (3) Jiang Su Inoac Juteng was an associate of the Group, which became a subsidiary of the Group during the Period.
 - (4) Ms. Lin Mei-Li is the spouse of Mr. Cheng Li-Yu, a director of the Company.
- (i) The consideration of plant and equipment was determined based on the valuation report from an independent valuer.
 - (ii) The purchase prices of production materials were determined at rates mutually agreed between the relevant parties.
 - (iii) The selling prices of finished goods were determined at rates mutually agreed between the relevant parties.
 - (iv) The rentals were determined at rates mutually agreed between the relevant parties.

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

20. 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 2012 (Unaudited) HK\$'000	As at 31 December 2011 (Audited) HK\$'000
Trade receivables:		
San Li	1,283	–
Sunrise	–	5
Jiang Su Inoac Juteng	–	7,054
	<u>1,283</u>	<u>7,059</u>
Trade and bills payables:		
San Li	356	8
Sunrise	–	107
Jiang Su Inoac Juteng	–	3,135
	<u>356</u>	<u>3,250</u>

(C) COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

For the six months
ended 30 June

	2012 (Unaudited) HK\$'000	2011 (Unaudited) HK\$'000
Short term employee benefits	3,935	3,297
Employee share-based compensation expenses	4,007	3,215
Total compensation paid to key management personnel	<u>7,942</u>	<u>6,512</u>

NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2012

21. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts of the Group's financial instruments as at 30 June 2012 and 31 December 2011 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 2012, the Group's financial instruments which comprise an available-for-sale investment and derivative financial instruments were measured at fair value.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW & PROSPECT

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW & PROSPECT (continued)

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

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

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

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

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

LIQUIDITY AND FINANCIAL RESOURCES

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

PLEDGE OF ASSETS

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

As at 30 June 2012 and 31 December 2011, shares of certain subsidiaries of the Group were pledged to secure banking facilities granted to the Group.

FOREIGN EXCHANGE EXPOSURE

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

EMPLOYEES

As at 30 June 2012, the Group had approximately 36,000 employees (30 June 2011: 36,000 employees). The Group recorded staff costs of approximately HK\$821 million (2011: HK\$711 million).

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

CAPITAL COMMITMENT

As at 30 June 2012, the capital commitments which the Group had contracted for but were not provided for in the financial information in respect to the acquisition of land, buildings and machineries amounted to approximately HK\$740 million (31 December 2011: HK\$560 million).

CONTINGENT LIABILITIES

As at 30 June 2012, the Group did not have any significant contingent liabilities.

OTHER INFORMATION

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

As at 30 June 2012, 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 The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "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)	290,090,986 (L) ordinary Shares	25.64%
	Beneficial owner	30,274,000 (L) ordinary Shares	2.68%
	Interest of spouse (Note 3)	10,518,046 (L) ordinary Shares	0.93%
Mr. Cheng Li-Yen	Beneficiary of a trust (Note 2)	290,090,986 (L) ordinary Shares	25.64%
Mr. Huang Kuo-Kuang	Beneficial owner	5,423,866 (L) ordinary Shares	0.48%
	Interest of spouse (Note 4)	2,950,631 (L) ordinary Shares	0.26%
Mr. Hsieh Wan-Fu	Beneficial owner	2,854,432 (L) ordinary Shares	0.25%
Mr. Lo Jung-Te	Beneficial owner	6,765,942 (L) ordinary Shares	0.60%
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:

- 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	0.19%
Mr. Cheng Chia-Jiun	Beneficial owner	35,000 (L) (Note 4)	7-11-2012 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2013 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2014 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2015 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2016 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2017 to 30-11-2019	HK\$0.97	0.00% (Note 5)

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	251,000 (L) (Note 4)	7-11-2012 to 30-11-2019	HK\$0.97	0.02% (Note 5)
	Beneficial owner	251,000 (L) (Note 4)	7-11-2013 to 30-11-2019	HK\$0.97	0.02% (Note 5)
	Beneficial owner	251,000 (L) (Note 4)	7-11-2014 to 30-11-2019	HK\$0.97	0.02% (Note 5)
	Beneficial owner	251,000 (L) (Note 4)	7-11-2015 to 30-11-2019	HK\$0.97	0.02% (Note 5)
	Beneficial owner	251,000 (L) (Note 4)	7-11-2016 to 30-11-2019	HK\$0.97	0.02% (Note 5)
	Beneficial owner	251,000 (L) (Note 4)	7-11-2017 to 30-11-2019	HK\$0.97	0.02% (Note 5)
Mr. Hsieh Wan-Fu	Beneficial owner	402,000 (L) (Note 4)	7-11-2012 to 30-11-2019	HK\$0.97	0.03% (Note 5)
	Beneficial owner	402,000 (L) (Note 4)	7-11-2013 to 30-11-2019	HK\$0.97	0.03% (Note 5)
	Beneficial owner	402,000 (L) (Note 4)	7-11-2014 to 30-11-2019	HK\$0.97	0.03% (Note 5)
	Beneficial owner	402,000 (L) (Note 4)	7-11-2015 to 30-11-2019	HK\$0.97	0.03% (Note 5)
	Beneficial owner	402,000 (L) (Note 4)	7-11-2016 to 30-11-2019	HK\$0.97	0.03% (Note 5)
	Beneficial owner	402,000 (L) (Note 4)	7-11-2017 to 30-11-2019	HK\$0.97	0.03% (Note 5)

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	402,000 (L) (Note 4)	7-11-2012 to 30-11-2019	HK\$0.97	0.03% (Note 5)
	Beneficial owner	402,000 (L) (Note 4)	7-11-2013 to 30-11-2019	HK\$0.97	0.03% (Note 5)
	Beneficial owner	402,000 (L) (Note 4)	7-11-2014 to 30-11-2019	HK\$0.97	0.03% (Note 5)
	Beneficial owner	402,000 (L) (Note 4)	7-11-2015 to 30-11-2019	HK\$0.97	0.03% (Note 5)
	Beneficial owner	402,000 (L) (Note 4)	7-11-2016 to 30-11-2019	HK\$0.97	0.03% (Note 5)
	Beneficial owner	402,000 (L) (Note 4)	7-11-2017 to 30-11-2019	HK\$0.97	0.03% (Note 5)
Mr. Tsai Wen-Yu	Beneficial owner	35,000 (L) (Note 4)	7-11-2012 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2013 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2014 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2015 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2016 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2017 to 30-11-2019	HK\$0.97	0.00% (Note 5)

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)	7-11-2010 to 6-11-2016	HK\$1.56	0.00% (Note 5)
	Beneficial owner	332,666 (L) (Note 3)	7-11-2011 to 6-11-2016	HK\$1.56	0.03% (Note 5)
	Beneficial owner	251,000 (L) (Note 4)	7-11-2012 to 30-11-2019	HK\$0.97	0.02% (Note 5)
	Beneficial owner	251,000 (L) (Note 4)	7-11-2013 to 30-11-2019	HK\$0.97	0.02% (Note 5)
	Beneficial owner	251,000 (L) (Note 4)	7-11-2014 to 30-11-2019	HK\$0.97	0.02% (Note 5)
	Beneficial owner	251,000 (L) (Note 4)	7-11-2015 to 30-11-2019	HK\$0.97	0.02% (Note 5)
	Beneficial owner	251,000 (L) (Note 4)	7-11-2016 to 30-11-2019	HK\$0.97	0.02% (Note 5)
	Beneficial owner	251,000 (L) (Note 4)	7-11-2017 to 30-11-2019	HK\$0.97	0.02% (Note 5)
Mr. Yip Wai Ming	Beneficial owner	35,000 (L) (Note 4)	7-11-2012 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2013 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2014 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2015 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2016 to 30-11-2019	HK\$0.97	0.00% (Note 5)
	Beneficial owner	35,000 (L) (Note 4)	7-11-2017 to 30-11-2019	HK\$0.97	0.00% (Note 5)

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 334,000 options granted to Mr. Tsui Yung Kwok 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 2012.
4. The long position in the underlying Shares comprised 210,000, 1,506,000, 2,412,000, 2,412,000, 210,000, 1,506,000 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 17 January 2012 under the Share Option Scheme and such share options remained outstanding as at 30 June 2012.
5. This percentage was calculated on the basis of 1,245,044,000 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 2012, 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 Hong Kong Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in note 14 to the interim 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 (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.

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 14 to the interim 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 2012	Grant date (Note 1)	Exercise period	Exercise price per Share (Note 2)	Price per Share at grant date (Note 3)	
	At 1 January 2012	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period						
Directors											
Mr. Cheng 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	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2012 to 30-11-2019	HK\$0.97	HK\$0.97	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2013 to 30-11-2019	HK\$0.97	HK\$0.97	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.97	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.97	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.97	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.97	
		<u>210,000</u>	<u>210,000</u>	<u>-</u>	<u>(210,000)</u>	<u>-</u>	<u>210,000</u>				
	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	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2012 to 30-11-2019	HK\$0.97	HK\$0.97	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2013 to 30-11-2019	HK\$0.97	HK\$0.97	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.97	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.97	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.97	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.97	
		<u>2,506,000</u>	<u>1,506,000</u>	<u>(1,000,000)</u>	<u>(1,506,000)</u>	<u>-</u>	<u>1,506,000</u>				

OTHER INFORMATION

SHARE OPTION SCHEME (continued)

Name or category of participant	Number of share options					At 30 June 2012	Grant date (Note 1)	Exercise period	Exercise price per Share (Note 2)	Price per Share at grant date (Note 3)
	At 1 January 2012	Granted during the Period	Exercised during the Period	Cancelled 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
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2012 to 30-11-2019	HK\$0.97	HK\$0.97
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2013 to 30-11-2019	HK\$0.97	HK\$0.97
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.97
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.97
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.97
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.97
		<u>2,912,000</u>	<u>2,412,000</u>	<u>(500,000)</u>	<u>(2,412,000)</u>	<u>-</u>	<u>2,412,000</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
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2012 to 30-11-2019	HK\$0.97	HK\$0.97
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2013 to 30-11-2019	HK\$0.97	HK\$0.97
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.97
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.97
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.97
	-	402,000	-	-	-	402,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.97
		<u>2,912,000</u>	<u>2,412,000</u>	<u>(500,000)</u>	<u>(2,412,000)</u>	<u>-</u>	<u>2,412,000</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 2012	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	At 30 June 2012					
Directors (continued)											
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	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2012 to 30-11-2019	HK\$0.97	HK\$0.97	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2013 to 30-11-2019	HK\$0.97	HK\$0.97	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.97	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.97	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.97	
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.97	
		<u>210,000</u>	<u>210,000</u>	<u>-</u>	<u>(210,000)</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	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2012 to 30-11-2019	HK\$0.97	HK\$0.97	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2013 to 30-11-2019	HK\$0.97	HK\$0.97	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.97	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.97	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.97	
-		251,000	-	-	-	251,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.97	
		<u>1,840,000</u>	<u>1,506,000</u>	<u>-</u>	<u>(1,506,000)</u>	<u>-</u>	<u>1,840,000</u>				

OTHER INFORMATION

SHARE OPTION SCHEME (continued)

Name or category of participant	Number of share options					At 30 June 2012	Grant date (Note 1)	Exercise period	Exercise price per Share (Note 2)	Price per Share at grant date (Note 3)
	At 1 January 2012	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period					
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
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2012 to 30-11-2019	HK\$0.97	HK\$0.97
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2013 to 30-11-2019	HK\$0.97	HK\$0.97
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.97
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.97
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.97
	-	35,000	-	-	-	35,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.97
	<u>210,000</u>	<u>210,000</u>	<u>-</u>	<u>(210,000)</u>	<u>-</u>	<u>210,000</u>				
Other employees										
In aggregate	76,666	-	(2,666)	-	(74,000)	-	7-11-2006	7-11-2010 to 6-11-2016	HK\$1.56	HK\$1.56
	12,077,334	-	(10,577,334)	-	(200,000)	1,300,000	7-11-2006	7-11-2011 to 6-11-2016	HK\$1.56	HK\$1.56
	12,607,333	-	-	(12,151,333)	(456,000)	-	24-4-2008	7-11-2012 to 23-4-2018	HK\$2.75	HK\$2.75
	12,607,333	-	-	(12,151,333)	(456,000)	-	24-4-2008	7-11-2013 to 23-4-2018	HK\$2.75	HK\$2.75
	12,607,334	-	-	(12,151,334)	(456,000)	-	24-4-2008	7-11-2014 to 23-4-2018	HK\$2.75	HK\$2.75
	3,690,000	-	-	(3,490,000)	(200,000)	-	14-7-2009	7-11-2011 to 13-7-2019	HK\$4.15	HK\$4.15
	3,690,000	-	-	(3,490,000)	(200,000)	-	14-7-2009	7-11-2012 to 13-7-2019	HK\$4.15	HK\$4.15
	3,690,000	-	-	(3,490,000)	(200,000)	-	14-7-2009	7-11-2013 to 13-7-2019	HK\$4.15	HK\$4.15
	3,690,000	-	-	(3,490,000)	(200,000)	-	14-7-2009	7-11-2014 to 13-7-2019	HK\$4.15	HK\$4.15
	3,690,000	-	-	(3,490,000)	(200,000)	-	14-7-2009	7-11-2015 to 13-7-2019	HK\$4.15	HK\$4.15
	4,202,999	-	-	(3,996,334)	(206,665)	-	3-5-2011	7-11-2012 to 13-7-2019	HK\$2.62	HK\$2.62
	4,203,000	-	-	(3,996,333)	(206,667)	-	3-5-2011	7-11-2013 to 13-7-2019	HK\$2.62	HK\$2.62
	4,203,000	-	-	(3,996,333)	(206,667)	-	3-5-2011	7-11-2014 to 13-7-2019	HK\$2.62	HK\$2.62
	16,395,667	-	-	(16,355,000)	(40,667)	-	3-5-2011	7-11-2015 to 13-7-2019	HK\$2.62	HK\$2.62
	16,395,667	-	-	(16,355,000)	(40,667)	-	3-5-2011	7-11-2016 to 13-7-2019	HK\$2.62	HK\$2.62
	16,395,667	-	-	(16,355,000)	(40,667)	-	3-5-2011	7-11-2017 to 13-7-2019	HK\$2.62	HK\$2.62
	-	17,232,000	-	-	-	17,232,000	17-1-2012	7-11-2012 to 30-11-2019	HK\$0.97	HK\$0.97
	-	17,232,000	-	-	-	17,232,000	17-1-2012	7-11-2013 to 30-11-2019	HK\$0.97	HK\$0.97
	-	17,232,000	-	-	-	17,232,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.97
	-	17,232,000	-	-	-	17,232,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.97
	-	17,232,000	-	-	-	17,232,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.97
	-	17,232,000	-	-	-	17,232,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.97
	<u>130,222,000</u>	<u>103,392,000</u>	<u>(10,580,000)</u>	<u>(114,958,000)</u>	<u>(3,384,000)</u>	<u>104,692,000</u>				
	<u>141,022,000</u>	<u>111,858,000</u>	<u>(12,580,000)</u>	<u>(123,424,000)</u>	<u>(3,384,000)</u>	<u>113,492,000</u>				

OTHER INFORMATION

SHARE OPTION SCHEME (continued)

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. 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.
3. The price of the Shares disclosed as at the date of grant of the share options is the Hong Kong Stock Exchange closing price of the Shares on the trading day immediately prior to the date of grant of the options.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 30 June 2012, 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	290,090,986 (L) ordinary Shares	25.64%
Shine Century Assets Corp. (Note 2)	Interest of a controlled corporation	290,090,986 (L) ordinary Shares	25.64%
East Asia International Trustees Limited (Note 2)	Trustee (other than a bare trustee)	290,090,986 (L) ordinary Shares	25.64%
Ms. Lin Mei-Li (Note 3)	Beneficial owner	10,518,046 (L) ordinary Shares	0.93%
	Interest of spouse	320,364,986 (L) ordinary Shares	28.31%
AllianceBernstein L.P.	Investment manager	72,351,000 (L) ordinary Shares	6.39%
	Interest of a controlled corporation (Note 4)	6,692,000 (L) ordinary Shares	0.59%

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES (continued)

Notes:

1. The letter "L" denotes a long position in the Share.
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, underlying Shares and debentures of the Company" 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. AllianceBernstein L.P. was interested in these Shares through its 100% control in AllianceBernstein International LLC which in turn had 100% control in AllianceBernstein Corporation of Delaware ("ABCD"). ABCD were interested in these Shares by virtue of its 100% control in (i) AllianceBernstein Limited, which was interested in 4,432,000 Shares; (ii) AllianceBernstein Investment Management Australia Limited, which was interested in 1,180,000 Shares; and (iii) AllianceBernstein Japan Inc., which was interested in 1,282,000 Shares by virtue of its 100% in AllianceBernstein Japan Ltd. AllianceBernstein L.P. was deemed to be interested in all the Shares in which AllianceBernstein International LLC, ABCD, AllianceBernstein Limited, AllianceBernstein Investment Management Australia Limited, AllianceBernstein Japan Inc. and AllianceBernstein Japan Ltd. were interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2012, 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.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE PRACTICES

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

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules. On 1 April 2012, the board of the Company has established a corporate governance committee with terms of reference in compliance with code provision D.3.1 of the CG code. The Company and the corporate governance committee periodically review corporate governance practices of the Company 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 should be separate and should not be performed by the same individual. Mr. Cheng Li-Yu is the chairman of the Board but the Company has not appointed any chief executive officer. Details of the considered reasons for such deviation had been set out in the corporate governance report contained in the Company's annual report of the year ended 31 December 2011.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted and applied a code of conduct regarding the Directors' securities transaction on terms no less exacting than the required standard set out in the Model Code. 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 during 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, 21 August 2012