



**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

**2024**

**INTERIM REPORT**

## CORPORATE INFORMATION

### EXECUTIVE DIRECTORS

Mr. Cheng Li-Yu  
(*Chairman and Chief Executive Officer*)  
Mr. Chiu Hui-Chin (*Chief Strategy Officer*)  
Mr. Huang Kuo-Kuang  
Mr. Lin Feng-Chieh  
Mr. Tsui Yung Kwok (*Chief Financial Officer*)

### NON-EXECUTIVE DIRECTORS

Mr. Cheng Li-Yen

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cherng Chia-Jiun  
Mr. Tsai Wen-Yu (*Retired on 16 May 2024*)  
Mr. Yip Wai Ming  
Mr. Yuen Chi Ho

### AUTHORISED REPRESENTATIVES

Mr. Cheng Li-Yu  
Mr. Tsui Yung Kwok

### COMPANY SECRETARY

Ms. Cheung Lai Yin

### AUDIT COMMITTEE

Mr. Cherng Chia-Jiun (*Chairman*)  
Mr. Tsai Wen-Yu (*Retired on 16 May 2024*)  
Mr. Yip Wai Ming  
Mr. Yuen Chi Ho

### REMUNERATION COMMITTEE

Mr. Cherng Chia-Jiun (*Chairman*)  
Mr. Cheng Li-Yu  
Mr. Huang Kuo-Kuang  
Mr. Tsai Wen-Yu (*Retired on 16 May 2024*)  
Mr. Yip Wai Ming  
Mr. Yuen Chi Ho

### NOMINATION COMMITTEE

Mr. Cheng Li-Yu (*Chairman*)  
Mr. Huang Kuo-Kuang  
Mr. Cherng Chia-Jiun  
Mr. Tsai Wen-Yu (*Retired on 16 May 2024*)  
Mr. Yip Wai Ming  
Mr. Yuen Chi Ho

### CORPORATE GOVERNANCE COMMITTEE

Mr. Yip Wai Ming (*Chairman*)  
Mr. Cheng Li-Yu  
Mr. Huang Kuo-Kuang  
Mr. Cherng Chia-Jiun  
Mr. Tsai Wen-Yu (*Retired on 16 May 2024*)  
Mr. Yuen Chi Ho

### LEGAL ADVISERS AS TO HONG KONG LAWS

Chiu & Partners

### AUDITORS

Ernst & Young  
*Registered Public Interest Entity Auditor*

### PRINCIPAL BANKERS

Agricultural Bank of China  
Bank of China  
Bank SinoPac  
Cathay United Bank  
China Citic Bank  
CTBC Bank  
DBS Bank  
E. Sun Bank  
Fubon Bank  
Industrial and Commercial Bank of China  
KGI Bank  
Mega International Commercial Bank  
OCBC Wing Hang Bank  
Standard Chartered Bank  
Taishin Bank  
United Overseas Bank

### REGISTERED OFFICE

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

## **CORPORATE INFORMATION**

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

No. 666 Yin Jia Road  
Wujiang Economic Development District  
Wujiang District, Suzhou City,  
Jiangsu Province  
The People's Republic of China

### **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Suntera (Cayman) Limited  
Suite 3204, Unit 2A  
Block 3, Building D  
P.O. Box 1586  
Gardenia Court, Camana Bay  
Grand Cayman KY1-1100  
Cayman Islands

### **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Investor Services Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### **WEBSITE**

[www.irasia.com/listco/hk/juteng](http://www.irasia.com/listco/hk/juteng)

### **STOCK CODE**

3336.HK and 9136.TT



## FINANCIAL HIGHLIGHTS

		For the six months ended 30 June		
	Notes	2024 (Unaudited)	2023 (Unaudited)	Changes
<b>Operating Results:</b>				
Revenue (HK\$ million)		2,999	3,463	-13.4%
Loss attributable to equity holders of the Company (HK\$ million)		(69)	(57)	21.1%
Loss per share				
Basic (HK cents)		(8.1)	(6.7)	20.9%
Diluted (HK cents)		(8.1)	(6.7)	20.9%
<b>Profitability Ratio:</b>				
Gross profit margin		6.6%	3.1%	3.5%
Operating loss margin	1	-4.9%	-6.3%	1.4%
Net loss margin	2	-2.3%	-1.6%	-0.7%
EBITDA (HK\$ million)		356	452	-21.2%
Return on equity	3	-2.6%	-2.0%	-0.6%
<b>Liquidity and Capital Ratio:</b>				
Inventory turnover days	4	88	89	-1.1%
Trade receivables turnover days	5	134	132	1.5%
Trade and bills payables turnover days	6	50	43	16.3%
Interest coverage	7	2.7%	11.2%	-8.5%
Net debt to equity	8	26.1%	34.3%	-8.2%
Net cash flows from operating activities (HK\$ million)		480	178	169.7%

### Notes:

- (1) Operating loss margin equals operating loss divided by revenue. Operating loss includes gross profit, net of selling and distribution expenses and administrative expenses.
- (2) Net loss margin equals loss attributable to equity holders of the Company divided by revenue.
- (3) Return on equity equals loss attributable to equity holders of the Company divided by the average of the beginning and closing balance of equity attributable to equity holders of the Company, and is calculated on an annualized basis.
- (4) Inventory turnover days is equal to the closing balance of inventories divided by cost of sales and multiplied by the number of days in the period.
- (5) Trade receivables turnover days is equal to the closing balance of trade receivables divided by revenue and multiplied by the number of days in the period.
- (6) Trade and bills payables turnover days is equal to the closing balance of trade and bills payables divided by cost of sales and multiplied by the number of days in the period.
- (7) Interest coverage ratio equals loss before tax and finance costs divided by finance costs.
- (8) Net debt to equity equals net debt divided by net assets. Net debt includes all interest-bearing bank and other borrowings, net of cash and cash equivalents.

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 2024 (the “Period”) as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		For the six months ended 30 June	
	Notes	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>REVENUE</b>	3	<b>2,999,320</b>	3,463,474
Cost of sales		<b>(2,799,904)</b>	(3,355,613)
Gross profit		<b>199,416</b>	107,861
Other income and gains	3	<b>155,826</b>	266,452
Selling and distribution expenses		<b>(72,109)</b>	(71,588)
Administrative expenses		<b>(275,059)</b>	(252,988)
Other expenses		<b>(5,438)</b>	(37,544)
Finance costs	4	<b>(97,195)</b>	(108,584)
Share of loss of an associate		<b>—</b>	(16)
<b>LOSS BEFORE TAX</b>	5	<b>(94,559)</b>	(96,407)
Income tax expense	6	<b>(7,304)</b>	(24,309)
<b>LOSS FOR THE PERIOD</b>		<b>(101,863)</b>	(120,716)
Attributable to:			
Equity holders of the Company		<b>(68,699)</b>	(57,073)
Non-controlling interests		<b>(33,164)</b>	(63,643)
		<b>(101,863)</b>	(120,716)
<b>LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	8		
– Basic (HK cents)		<b>(8.1)</b>	(6.7)
– Diluted (HK cents)		<b>(8.1)</b>	(6.7)

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>LOSS FOR THE PERIOD</b>	<b>(101,863)</b>	<b>(120,716)</b>
<b>OTHER COMPREHENSIVE INCOME/(EXPENSES)</b>		
Other comprehensive expenses that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(201,806)	(524,882)
Release of exchange fluctuation reserve upon disposal of a subsidiary	—	(15,958)
	<b>(201,806)</b>	<b>(540,840)</b>
Other comprehensive income/(expenses) that will not be reclassified to profit or loss in subsequent periods:		
Equity investment designated at fair value through other comprehensive income:		
Change in fair value	(5,257)	12,068
Income tax effect	1,051	(1,484)
	<b>(4,206)</b>	<b>10,584</b>
<b>OTHER COMPREHENSIVE EXPENSES FOR THE PERIOD, NET OF TAX</b>	<b>(206,012)</b>	<b>(530,256)</b>
<b>TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD</b>	<b>(307,875)</b>	<b>(650,972)</b>
Attributable to:		
Equity holders of the Company	(274,841)	(531,436)
Non-controlling interests	(33,034)	(119,536)
	<b>(307,875)</b>	<b>(650,972)</b>



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	Notes	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	5,454,877	5,679,602
Right-of-use assets		764,638	807,247
Deferred tax assets		6,946	7,102
Prepayments for acquisition of property, plant and equipment		17,319	7,974
Equity investment designated at fair value through other comprehensive income		19,982	25,236
Total non-current assets		6,263,762	6,527,161
<b>CURRENT ASSETS</b>			
Inventories		1,346,713	1,538,625
Trade receivables	10	2,212,185	2,486,447
Prepayments, deposits and other receivables		198,172	178,093
Pledged and restricted bank balances		112,324	111,876
Cash and cash equivalents		1,288,448	1,221,852
Non-current assets classified as held for sale		5,157,842 89,274	5,536,893 91,460
Total current assets		5,247,116	5,628,353
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	773,427	890,797
Other payables and accruals		1,104,609	1,077,187
Lease liabilities		69,085	133,100
Tax payables		30,884	39,189
Derivative financial instruments		3,424	–
Interest-bearing bank and other borrowings		2,661,084	2,539,139
Total current liabilities		4,642,513	4,679,412

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 June 2024

	Notes	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
<b>NET CURRENT ASSETS</b>		<b>604,603</b>	948,941
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>6,868,365</b>	7,476,102
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		<b>310,543</b>	597,475
Deferred income		<b>40,030</b>	40,922
Lease liabilities		<b>8,279</b>	9,265
Deferred tax liabilities		<b>60,596</b>	71,648
Total non-current liabilities		<b>419,448</b>	719,310
<b>Net assets</b>		<b>6,448,917</b>	6,756,792
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	12	<b>120,001</b>	120,001
Reserves		<b>5,070,602</b>	5,345,443
		<b>5,190,603</b>	5,465,444
<b>Non-controlling interests</b>		<b>1,258,314</b>	1,291,348
<b>Total equity</b>		<b>6,448,917</b>	6,756,792



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to equity holders of the Company											
	Issued capital HK\$'000	Share premium account* HK\$'000	Shares held under share award plan* HK\$'000	Employee share-based compensation reserve* HK\$'000	Statutory reserve fund* HK\$'000	Exchange fluctuation reserve* HK\$'000	Retained profits* HK\$'000	Fair value reserve* HK\$'000	Other reserves* HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
(Unaudited)												
At 1 January 2023	120,001	187,919	(717,483)	60,247	549,742	(403,424)	5,918,612	(1,194)	323,963	6,038,363	1,404,904	7,443,287
Loss for the Period	-	-	-	-	-	-	(57,073)	-	-	(57,073)	(63,643)	(120,716)
Other comprehensive income/(expenses) for the Period:												
Change in fair value of an equity investment designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	10,584	-	10,584	-	10,584
Exchange differences on translation of foreign operations	-	-	-	-	-	(468,989)	-	-	-	(468,989)	(55,893)	(524,882)
Release of exchange reserves upon disposal of a subsidiary	-	-	-	-	-	(15,958)	-	-	-	(15,958)	-	(15,958)
Total comprehensive income/(expenses) for the Period	-	-	-	-	-	(484,947)	(57,073)	10,584	-	(531,436)	(119,536)	(650,972)
Dividend received under the share award plan	-	-	17,717	-	-	-	-	-	-	17,717	-	17,717
Transfer of employee share-based compensation reserve upon the forfeiture of share options	-	-	-	(5,774)	-	-	5,774	-	-	-	-	-
Transfer from retained profits	-	-	-	-	6,851	-	(6,851)	-	-	-	-	-
2022 final dividend	-	-	-	-	-	-	(60,000)	-	-	(60,000)	-	(60,000)
At 30 June 2023	120,001	187,919	(699,766)	54,473	556,593	(888,371)	5,800,462	9,390	323,963	5,464,664	1,285,368	6,750,032
(Unaudited)												
At 1 January 2024	120,001	187,919	(699,766)	54,138	593,916	(713,652)	5,589,732	9,193	323,963	5,465,444	1,291,348	6,756,792
Loss for the Period	-	-	-	-	-	-	(68,699)	-	-	(68,699)	(33,164)	(101,863)
Other comprehensive expenses for the Period:												
Change in fair value of an equity investment designated at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	(4,206)	-	(4,206)	-	(4,206)
Exchange differences on translation of foreign operations	-	-	-	-	-	(201,936)	-	-	-	(201,936)	130	(201,806)
Total comprehensive expenses for the Period	-	-	-	-	-	(201,936)	(68,699)	(4,206)	-	(274,841)	(33,034)	(307,875)
Transfer of employee share-based compensation reserve upon the forfeiture of share options	-	-	-	(1,682)	-	-	1,682	-	-	-	-	-
Transfer from retained profits	-	-	-	-	2,012	-	(2,012)	-	-	-	-	-
At 30 June 2024	120,001	187,919	(699,766)	52,456	595,928	(915,588)	5,520,703	4,987	323,963	5,190,603	1,258,314	6,448,917

\* These reserve accounts comprise the consolidated reserves of HK\$5,070,602,000 (31 December 2023: HK\$5,345,443,000) in the condensed consolidated statement of financial position.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	591,062	306,401
Income tax paid	(26,100)	(29,339)
Income tax refunded	–	946
Interest received	17,161	13,404
Interest paid	(102,025)	(113,065)
Net cash flows from operating activities	<u>480,098</u>	<u>178,347</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	(261,421)	(46,044)
Proceeds from disposal of items of property, plant and equipment and non-current assets classified as held for sale	80,236	34,419
Disposal of a subsidiary	–	26,514
Increase in pledged and restricted bank balances	(448)	(13,753)
Increase in prepayments for acquisition of property, plant and equipment	(17,319)	(12,095)
Net cash flows used in investing activities	<u>(198,952)</u>	<u>(10,959)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New bank loans and other borrowings	870,625	1,623,258
Repayment of bank loans	(1,009,179)	(1,993,531)
Dividend paid	–	(60,000)
Dividend received under the share award plan	–	17,717
Principal portion of lease payments	(63,128)	(82,500)
Net cash flows used in financing activities	<u>(201,682)</u>	<u>(495,056)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>79,464</b>	<b>(327,668)</b>
Cash and cash equivalents at beginning of Period	1,221,852	1,706,797
Effect of foreign exchange rate changes, net	(12,868)	(20,282)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><b>1,288,448</b></u>	<u><b>1,358,847</b></u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<u><b>1,288,448</b></u>	<u><b>1,358,847</b></u>

# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

## 1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2023. 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 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs"), which also include HKASs and Interpretations) for the first time for the current period's financial information:

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the above revised HKFRSs has had no significant financial effect on the Group's condensed consolidated interim financial information.



## NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

### 2. OPERATING SEGMENT INFORMATION

The Group is principally engaged in the business of manufacture and sale of casings for notebook computer and handheld devices. 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	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
The People's Republic of China (the "PRC" or "Chinese Mainland"), excluding Hong Kong	2,705,649	3,302,124
Others	293,671	161,350
	<u>2,999,320</u>	<u>3,463,474</u>

The revenue information above is based on the locations where the products are delivered to the customers.

During the six months ended 30 June 2024 and 30 June 2023, except for the revenue from external customers in the PRC, the Group's revenue derived from each of other locations was less than 10% of the Group's revenue. Comparative figures have been restated to group the revenue from external customers of other locations into "Others".

## NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

### 3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>Revenue from contracts with customers</b>		
Sale of casings for notebook computer and handheld devices	2,999,320	3,463,474

#### Revenue from contracts with customers

##### (i) Disaggregated revenue information

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>Geographical markets</b>		
The PRC, excluding Hong Kong	2,705,649	3,302,124
Others	293,671	161,350
	2,999,320	3,463,474
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	2,999,320	3,463,474

##### (ii) Performance obligation

*Sale of casings for notebook computer and handheld devices*

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 60 to 120 days from delivery.

## NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

### 3. REVENUE, OTHER INCOME AND GAINS (continued)

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Interest income	17,161	13,404
Subsidy income <sup>#</sup>	14,151	4,491
Compensation income	5,341	2,781
Gross rental income	11,086	11,550
Gain on disposal of items of property, plant and equipment and right-of-use assets, net	19,700	–
Write-back of trade receivables	47	–
Reversal of impairment of trade receivables	70	288
Write-off of long outstanding trade payables	84	–
Write-off of long outstanding other payables and accruals	957	37
Gain on disposal of a subsidiary	–	42,507
Foreign exchange gains, net	86,139	190,417
Others	1,090	977
	<b>155,826</b>	<b>266,452</b>

<sup>#</sup> Various government subsidies have been received for enterprises engaged in businesses in Chinese Mainland for promoting the manufacturing industry. There are no unfulfilled conditions or contingencies relating to these subsidies.



## NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

### 4. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Interest on bank and other borrowings	101,881	112,787
Interest on lease liabilities	144	278
Total interest expense on financial liabilities not at fair value through profit or loss	102,025	113,065
Less: Interest capitalised	(4,830)	(4,481)
	<u>97,195</u>	<u>108,584</u>

### 5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Cost of inventories sold	2,799,904	3,355,613
Depreciation of property, plant and equipment	342,930	427,927
Depreciation of right-of-use assets	9,988	11,406
Provision for inventories, net	47,890	42,760
Reversal of impairment of trade receivables	(70)	(288)
Write-off/(write-back) of trade receivables	(47)	2,325
Loss/(gain) on disposal of items of property, plant and equipment and right-of-use assets, net	(19,700)	6,531
Gain on disposal of a subsidiary	–	(42,507)
Foreign exchange gains, net	(86,139)	(190,417)
Fair value losses on derivative financial instruments, net	–	6,182
– Realised losses	–	–
– Unrealised losses	3,425	16,920

## NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

### 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 2023: Nil). Taxes on assessable profits 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	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Provision for the Period:		
Current – The PRC, excluding Hong Kong		
Charge for the Period	23,437	21,261
Underprovision in prior years	107	573
Current – Overseas		
Charge for the Period	6,024	11,831
Overprovision in prior years	(12,311)	(12,853)
Deferred tax	(9,953)	3,497
Total tax charge for the Period	7,304	24,309

### 7. INTERIM DIVIDEND

The Directors did not propose to declare any interim dividend for the Period (six months ended 30 June 2023: Nil).

During the six months ended 30 June 2023, the Company approved and paid a final dividend of HK5 cents per ordinary share, amounting to approximately HK\$60,000,000 in respect of the previous financial year.

## NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

### 8. LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the Period attributable to equity holders of the Company of HK\$68,699,000 (six months ended 30 June 2023: HK\$57,073,000) and the weighted average number of 845,662,671 (six months ended 30 June 2023: 845,662,671) ordinary shares in issue excluding shares held under the share award plan during the Period.

For the six months ended 30 June 2024 and 2023, no adjustment has been made to the basic loss per share amounts presented in respect of a dilution as the impact of share options outstanding had no dilutive effect on the basic loss per share amounts presented.

### 9. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of approximately HK\$274,225,000 (six months ended 30 June 2023: approximately HK\$80,881,000) and disposed of property, plant and equipment with an aggregate net book value of approximately HK\$42,692,000 (six months ended 30 June 2023: approximately HK\$15,787,000).

The amount of borrowing costs capitalised during the Period was approximately HK\$4,830,000 (six months ended 30 June 2023: approximately HK\$4,481,000).

### 10. TRADE RECEIVABLES

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Trade receivables	2,215,708	2,490,039
Impairment	(3,523)	(3,592)
	<u>2,212,185</u>	<u>2,486,447</u>

The general credit terms of the Group range from 60 to 120 days. Trade receivables are non-interest-bearing. The Group does not hold any collateral or other credit enhancements over these balances.



## NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

### 10. TRADE RECEIVABLES (continued)

An ageing analysis of the Group's trade receivables as at the end of the Period, based on the invoice date and net of loss allowance, is as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Within 3 months	1,393,643	1,440,992
4 to 6 months	765,704	1,019,371
7 to 12 months	52,838	26,084
	<u>2,212,185</u>	<u>2,486,447</u>

### 11. TRADE AND BILLS PAYABLES

The trade payables are non-interest-bearing and are normally settled on terms of 60 to 120 days.

An ageing analysis of the Group's trade and bills payables as at the end of the Period, based on the invoice date and issuance date, respectively, is as follows:

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Within 3 months	572,677	567,760
4 to 6 months	166,281	292,661
7 to 12 months	16,508	18,814
Over 1 year	17,961	11,562
	<u>773,427</u>	<u>890,797</u>

# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

## 12. SHARE CAPITAL

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (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: 1,200,008,445 shares of HK\$0.1 each	<u>120,001</u>	<u>120,001</u>

### Share options

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

## 13. SHARE-BASED COMPENSATION

### (a) Share option scheme

A share option scheme (the "Share Option Scheme") was adopted by the Company on 11 May 2015. Details of the terms of the Share Option Scheme were disclosed in the Group's annual financial statements as at 31 December 2023.

The following share options were outstanding under the Share Option Scheme during the current and prior periods:

	2024		2023	
	Weighted average exercise price HK\$ per share	Number of options	Weighted average exercise price HK\$ per share	Number of options
At 1 January	1.48	28,338,000	1.48	31,976,000
Forfeited	1.48	<u>(920,000)</u>	1.48	<u>(3,212,000)</u>
At 30 June	1.48	<u>27,418,000</u>	1.48	<u>28,764,000</u>

No share options were granted, exercised, cancelled or expired under the Share Option Scheme during the current and prior periods.

# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

## 13. SHARE-BASED COMPENSATION (continued)

### (b) Share award plan

The Board approved the adoption of the new share award plan (the “Share Award Plan”) with effect from 19 May 2017. The purpose of the Share Award Plan is to (i) recognise and reward the contribution of certain eligible participants to the growth and development of the Group through an award of shares and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (ii) attract suitable personnel for further development of the Group. The vesting period of the awarded shares is determined by the Board.

As at 30 June 2024 and 31 December 2023, a total of 354,345,774 shares were held by Bank of Communications Trustee Limited, the trustee under the Share Award Plan.

## 14. CONTINGENT LIABILITIES

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

## 15. PLEDGE OF ASSETS

As at 30 June 2024, certain land and buildings of the Group with a net carrying amount of approximately HK\$19,297,000 (31 December 2023: approximately HK\$20,413,000) were pledged to secure banking facilities granted to the Group.

## 16. COMMITMENTS

The Group had the following contractual commitments at the end of the Period:

	<b>As at 30 June 2024 (Unaudited) HK\$'000</b>	<b>As at 31 December 2023 (Audited) HK\$'000</b>
Buildings	<b>178,399</b>	44,625
Machinery and office equipment	<b>110,231</b>	208,554
Total contractual commitments	<b>288,630</b>	253,179



## NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

### 17. RELATED PARTY TRANSACTIONS

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

	Notes	For the six months ended 30 June	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Lease payments paid to:			
Ms. Cheng Shao-Wen	(i)	69	72
Mr. Cheng Yung-Kang	(ii)	29	30
禾涎股份有限公司 (“禾涎”)	(iii)	147	153
Ms. Lin Mei-Li	(iv)	30	31

Notes:

- (i) Ms. Cheng Shao-Wen is the daughter of Mr. Cheng Li-Yu, a director of the Company. The rentals were determined at rates mutually agreed between the relevant parties.
- (ii) Mr. Cheng Yung-Kang is the son of Mr. Cheng Li-Yu, a director of the Company. The rentals were determined at rates mutually agreed between the relevant parties.
- (iii) Ms. Cheng Shao-Wen and Mr. Cheng Yung-Kang are the directors of 禾涎. Ms. Lin Mei-Li, the spouse of Mr. Cheng Li-Yu, a director of the Company, Ms. Cheng Shao-Wen and Mr. Cheng Yung-Kang are the shareholders of 禾涎. The rentals were determined at rates mutually agreed between the relevant parties.
- (iv) Ms. Lin Mei-Li is the spouse of Mr. Cheng Li-Yu, a director of the Company. The rentals were determined at rates mutually agreed between the relevant parties.

## NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2024

### 17. RELATED PARTY TRANSACTIONS (continued)

#### (b) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Short term employee benefits	5,842	5,993

### 18. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts of the Group's financial instruments as at 30 June 2024 and 31 December 2023 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 values of an equity investment designated at fair value through other comprehensive income and derivative financial instruments. As at 30 June 2024, the Group's financial instruments which comprise an equity investment designated at fair value through other comprehensive income and derivative financial instruments, which were measured at fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 under the fair value hierarchy) and based on significant observations inputs (Level 2 under the fair value hierarchy), respectively.

During the Period, there were no transfers of fair value measurements between Level 1 and Level 2, and no transfers into or out of Level 3 for both financial assets and financial liabilities (six months ended 30 June 2023: Nil).

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW & PROSPECTS

Looking back at the first half of 2024, the macroeconomic recovery was stable but slow. Under the disturbance of multiple factors such as intensified geopolitical tensions, slowing downward trend of inflation, as well as increasing uncertainty in the global trade policies, the market remained weak, and the consumer demand in the global personal computer ("PC") market recovered slowly with regional differences. According to the survey report released by Canalys, a market research organization, the global PC market made a good start in 2024, achieving the year-on-year growth of 3.2% and 3.4% in the first two quarters, respectively. However, the recovery trajectory of the Chinese PC market went against the global trend: in the first quarter of 2024, due to the weak IT expense by large enterprises, the overall development of the market in Chinese Mainland was sluggish, and the PC shipments significantly decreased by 12% year-on-year. The uncertainty in the market exacerbated the operation pressures on enterprises, which further suppressed the consumer demand and created significant uncertainty in the demand for PCs and other expenses, which in turn posed challenges to the business environment.

As one of the world's leading notebook computer casing manufacturers, the sales of notebook computer casing and 2-in-1 computer casing remained as the Group's major source of revenue. During the Period, due to the global economic downturn, the demand for our plastic products decreased, resulting in a decline in sales revenue. During the Period, the Group recorded revenue of approximately HK\$2,999 million (2023: approximately HK\$3,463 million). To alleviate the challenges posed by weak demand for the Group's products in the market, the Group actively adjusted its product portfolio and market strategy, and implemented strict cost control measures. As a result, the gross profit margin improved to approximately 6.6% from approximately 3.1% for the corresponding period of last year. However, the improvement in gross profit margin was not able to offset the impact of the decline in revenue for the Period. The Group recorded a loss attributable to equity holders of the Company of approximately HK\$69 million (2023: approximately HK\$57 million) for the Period.

During the Period, against the backdrop of an uncertain global macroeconomic environment, intensified geopolitical conflicts, slowing pace of interest rate cuts by multiple central banks, and slowing downward inflation, the global supply chain faced serious challenges. Despite signs of steady recovery in global PC sales overall, there are still significant regional differences in demand for notebook computers. In order to effectively cope with the more complex market environment, and to reduce uncertainties and production costs of the supply chain, the Group has actively adjusted its operation strategies, integrated its production resources in Chinese Mainland, improved its capacity utilization through orderly consolidation of production plants, and gradually relocated certain of its production capacity to Vietnam with the aim to optimize its resource allocation, improve its production efficiency, and maintain its competitiveness in the changing global market. As of now, our production plants in Vietnam are still under construction and, barring any unforeseen circumstances, the production at the plants is expected to commence in the second half of 2024. The Group remains committed to optimizing its production systems, actively re-allocating its production resources, striving for excellence in its product quality and production performance, and making sufficient preparations for the next rapid growth cycle of the PC market.



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW & PROSPECTS (continued)

Looking ahead to the second half of the year, the global PC casing sales will recover along with the anticipated PC shipments rebound. Firstly, taking into account the significant increase in online-office demand driven by social distance restrictions during and since the COVID-19 pandemic, the PC sold at that time have already reached 4-5 years of age and are gradually entering the replacement cycle, so that the demand for PC replacement is expected to increase. Secondly, the upcoming system upgrade provides important impetus for the product replacement cycle: Microsoft plans to discontinue support for the Windows 10 operating system in 2025, and according to the latest forecast released by Canalys, after Microsoft discontinues support for the Windows 10 operating system, there will be over 240 million computer devices that will not be compatible with the Windows 11 operating system. To avoid security risks caused by outdated operating systems, users may accelerate their choice for product replacement, which may bring significant product replacement space to the market.

In addition, technological innovation may become a driving force for the growth of the PC market, and the Group is also expected to benefit from the product replacement cycle. It is expected that major global brands PC equipped with artificial intelligence technology ("AI PC") will be launched in the second half of 2024, which will stimulate a new round of commercial computer and consumer PC replacement cycles. According to the latest forecast released by Gartner, Inc., a market research organization, the AI PC shipments will reach 54.5 million units by the end of 2024, accounting for 22% of the total PC shipments (i.e. approximately 250 million units). Meanwhile, AI PCs have attracted market attention for their advantages of improving interactive experience and work efficiency. Their wider application scenarios and iterative functions are expected to further enhance the product bargaining power and drive up the unit price of PCs. The Group will closely monitor market changes, adjust its operation strategies in a timely manner, and prepare itself to embrace the opportunities brought by the upcoming product replacement cycle.

Despite frequent disruptions in the global economy and geopolitics affecting the trade supply chain, which has led to continuous fluctuations on the consumer end and a complex and volatile business environment, the Group remains prudently optimistic about the PC market, and will closely keep up with the latest trends on both the supply and consumer ends, and conduct resource integration and management to prepare itself for the next trend in the market. At the same time, the Group will continue to promote its strategies of cost reduction and efficiency improvement, enhance the flexibility of business to respond to changing situations, and strengthen overall collaborative operation efficiency and competitiveness. Looking ahead to the future, the Group will actively respond to various challenges and opportunities, seize market trends and opportunities in the macro environment and market changes, improve operating profits, and provide better returns for its shareholders and investors.

## FINANCIAL REVIEW

During the Period, due to the slow progress of global economic recovery and weak demand for the Group's plastic casings products, the Group's revenue for the Period declined by approximately 13.4% as compared with the corresponding period of last year to approximately HK\$2,999 million (2023: approximately HK\$3,463 million). The Group's gross profit margin during the Period increased to approximately 6.6% (2023: approximately 3.1%), which was mainly due to the Group's effort to reduce the production costs and improve the utilization rate of the Group's production capacity.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW (continued)

During the Period, other income and gains of the Group mainly consisted of foreign exchange gains, mainly resulting from the translation of trade receivables denominated in USD, of approximately HK\$86 million (2023: approximately HK\$190 million) arising from the depreciation of RMB against USD, net gains on disposal of items of property, plant and equipment and right-of-use assets of approximately HK\$20 million (2023: net losses on disposal of items of property, plant and equipment of approximately HK\$7 million), interest income of approximately HK\$17 million (2023: approximately HK\$13 million), gross rental income of approximately HK\$11 million (2023: approximately HK\$12 million) and subsidy income of approximately HK\$14 million (2023: approximately HK\$4 million). Mainly due to the decrease in foreign exchange gains of approximately HK\$104 million and absence of net gain on disposal of a subsidiary of approximately HK\$43 million, the Group recorded a decrease of approximately 41.5% in other income and gains as compared with the corresponding period of last year to approximately HK\$156 million (2023: approximately HK\$266 million) during the Period, accounting for approximately 5.2% (2023: approximately 7.7%) of the Group's revenue.

During the Period, the Group recorded an increase of approximately 7.0% in operating costs, including administrative expenses and selling and distribution expenses, as compared with the corresponding period of last year to approximately HK\$347 million (2023: approximately HK\$325 million). The increase in the operating costs was mainly attributable to the increase in staff costs, transportation expenses and pre-operating expenses of the production plant in Vietnam. The percentage of operating costs of the Group accounted for approximately 11.6% (2023: approximately 9.4%) of the Group's revenue.

During the Period, other expenses of the Group mainly consisted of fair value losses on derivative financial instruments (i.e. the forward foreign exchange contracts) of approximately HK\$3 million (2023: approximately HK\$23 million). The Group recorded a decrease of approximately 85.5% in other expenses due to the decrease in fair value losses on derivative financial instruments of approximately HK\$20 million and the absence of loss on disposal of items of property, plant and equipment of approximately HK\$7 million, as compared with the corresponding period of last year to approximately HK\$5 million (2023: approximately HK\$38 million), accounting for approximately 0.2% (2023: approximately 1.1%) of the Group's revenue.

Finance costs of the Group decreased by approximately 10.5% as compared with the corresponding period of last year to approximately HK\$97 million (2023: approximately HK\$109 million) for the Period, which was mainly attributable to the repayment of certain bank borrowings during the Period. Interest capitalised during the Period was approximately HK\$5 million (2023: approximately HK\$4 million).

As a result of reversal of deferred tax during the Period, the Group's income tax expense decreased to approximately HK\$7 million (2023: approximately HK\$24 million) for the Period. Despite the fact that the Group incurred loss before tax on consolidated basis, income tax credits have not been recognized in respect of tax losses incurred by certain subsidiaries and income tax expense has been provided for in respect of the assessable profits generated by certain subsidiaries during the Period.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW (continued)

Despite the measures adopted by the Group to lower the production costs and improve the gross profit margin, the Group recorded a loss attributable to equity holders of the Company for the Period of approximately HK\$69 million (2023: approximately HK\$57 million), mainly attributable to the decrease in the revenue and other income and gains.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, total bank and other borrowings of the Group amounted to approximately HK\$2,972 million (31 December 2023: approximately HK\$3,137 million), representing a decrease of approximately 5.3% as compared with that as at 31 December 2023. The Group's bank and other borrowings were at floating interest rates and included short-term loans with 1-year maturity, 2-year term loans, 3-year term loans and 5-year syndicated loans. As at 30 June 2024, the Group's bank and other loans denominated in USD, New Taiwan dollars and RMB were approximately HK\$2,682 million (31 December 2023: approximately HK\$2,735 million), approximately HK\$18 million (31 December 2023: approximately HK\$20 million) and approximately HK\$272 million (31 December 2023: approximately HK\$382 million), respectively.

During the Period, the Group's net cash flows from operating activities increased to approximately HK\$480 million from approximately HK\$178 million in the corresponding period of last year, which was mainly attributable to the decrease in trade receivables and inventories. As a result of the purchase of manufacturing facilities for installation in the new production plant in Vietnam during the Period, the Group recorded a net cash outflow from investing activities of approximately HK\$199 million (2023: approximately HK\$11 million) during the Period. During the Period, due to the repayment of bank borrowings and settlement of certain lease payables, the Group recorded a net cash outflow from financing activities of approximately HK\$202 million (2023: approximately HK\$495 million). As at 30 June 2024, the Group had cash and bank balances of approximately HK\$1,288 million (31 December 2023: approximately HK\$1,222 million).

As at 30 June 2024, the Group's gearing ratio, calculated as total bank and other borrowings of approximately HK\$2,972 million (31 December 2023: approximately HK\$3,137 million) divided by total assets of approximately HK\$11,511 million (31 December 2023: approximately HK\$12,156 million), remained at approximately 25.8% (31 December 2023: approximately 25.8%).

## FINANCIAL RATIOS

Due to the decline in sales and the Group's tightened inventory control policies, the inventory turnover days of the Group during the Period further decreased to approximately 88 days (2023: approximately 89 days). As at 30 June 2024, there was a decrease in the Group's inventories of approximately 12.5% to approximately HK\$1,347 million (31 December 2023: approximately HK\$1,539 million).

Trade receivables turnover days of the Group during the Period slightly increased to approximately 134 days (2023: approximately 132 days) of the Group. Trade receivables as at 30 June 2024 decreased by approximately 11.0% to approximately HK\$2,212 million, as compared with approximately HK\$2,486 million as at 31 December 2023.



# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL RATIOS (continued)

Trade and bills payables turnover days of the Group during the Period increased to approximately 50 days (2023: approximately 43 days) which was due to better cost control leading to lower cost of sales as compared with the corresponding period of last year. As at 30 June 2024, there was a decrease in the Group's trade and bills payables of approximately 13.2% to approximately HK\$773 million (31 December 2023: approximately HK\$891 million).

## PLEDGE OF ASSETS

As at 30 June 2024, certain land and buildings of the Group with a net carrying amount of approximately HK\$19 million (31 December 2023: approximately HK\$20 million) 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, an appreciation of RMB against USD will have adverse effect on the Group's profitability and vice versa. Accordingly, the Group has entered into forward foreign exchange contracts to mitigate possible exchange losses arising from the fluctuations in the values of the USD and RMB. During the Period, the Group recorded foreign exchange gains, net of approximately HK\$86 million (2023: approximately HK\$190 million) and fair value losses on derivative financial instruments, net of approximately HK\$3 million (2023: approximately HK\$23 million). The management of the Group will continue to monitor the Group's foreign currency risk exposures and adopt prudent measures as appropriate to minimise the adverse effects arising from the foreign currency fluctuations.

## EMPLOYEES

During the Period, the Group had approximately 20,000 employees (2023: approximately 23,000 employees) and recorded staff costs of approximately HK\$952 million (2023: approximately HK\$987 million).

The Group's employees are remunerated in line with prevailing market terms and individual performance, with the remuneration package and policies being reviewed on a regular basis. Discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and that of 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 and the Republic of China (the "ROC") employees with welfare schemes as required by the applicable laws and regulations of the PRC and ROC.

## CAPITAL COMMITMENT

As at 30 June 2024, the capital commitments which the Group had contracted for but were not provided for in the financial information in respect of the acquisition of buildings, machinery and office equipment amounted to approximately HK\$289 million (31 December 2023: approximately HK\$253 million).

## CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any significant contingent liabilities.

# MANAGEMENT DISCUSSION AND ANALYSIS

## EVENTS AFTER THE REPORTING PERIOD

On 19 July 2024, two indirectly non-wholly owned subsidiaries of the Company, as transferors, entered into supplemental agreements to the resumption agreements (“Resumption Agreements”) with Wujiang Economic and Technological Development Zone Management Committee and Huaying Shixun (Wujiang) Co., Ltd\* (華映視訊(吳江)有限公司), being independent third parties, as transferees, respectively in order to vary the terms of the respective Resumption Agreements to extend the date by which the transferors must vacate the stipulated land and properties to 31 December 2024 or to such other date as both parties shall agree in writing. For details regarding the Resumption Agreements and the abovementioned supplemental agreements, please refer to the announcements of the Company dated 22 November 2023, 13 December 2023, 12 January 2024, 25 January 2024, 13 March 2024 and 19 July 2024 and the circular of the Company dated 30 January 2024.

*\* For identification purposes only*

## OTHER INFORMATION

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

As at 30 June 2024, 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 Issuers (the "Model Code") set out in Appendix C3 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") were as follows:

		Long positions Number of ordinary shares of the Company of HK\$0.1 each (the "Shares") and underlying Shares held under equity derivatives				Approximate percentage of the Company's issued share capital (Note 3)
Name of Directors		Personal interests	Interests of spouse	Other interests	Total interests	
Mr. Cheng Li-Yen	Shares	–	–	303,240,986 (Note 1)	303,240,986	25.27%
Mr. Cheng Li-Yu	Shares	23,408,000	7,064,046	303,240,986 (Note 1)	333,713,032	27.81%
Mr. Cheng Chia-Jiun	Shares	210,000	–	–	210,000	0.02%
	Equity Derivatives: Share Options (Note 2)	360,000	–	–	360,000	0.03%
					570,000	0.05%
Mr. Chiu Hui-Chin	Shares	5,900,000	–	–	5,900,000	0.49%
	Equity Derivatives: Share Options (Note 2)	600,000	–	–	600,000	0.05%
					6,500,000	0.54%
Mr. Huang Kuo-Kuang	Shares	8,285,866	2,300,631	–	10,586,497	0.88%
	Equity Derivatives: Share Options (Note 2)	504,000	–	–	504,000	0.04%
					11,090,497	0.92%
Mr. Lin Feng-Chieh	Shares	1,824,000	–	–	1,824,000	0.15%
	Equity Derivatives: Share Options (Note 2)	600,000	–	–	600,000	0.05%
					2,424,000	0.20%



## OTHER INFORMATION

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

Name of Directors		Long positions Number of ordinary shares of the Company of HK\$0.1 each (the "Shares") and underlying Shares held under equity derivatives				Approximate percentage of the Company's issued share capital (Note 3)
		Personal interests	Interests of spouse	Other interests	Total interests	
Mr. Tsui Yung Kwok	Shares	6,156,000	-	-	6,156,000	0.51%
	Equity Derivatives: Share Options (Note 2)	1,008,000	-	-	1,008,000	0.09%
					<u>7,164,000</u>	<u>0.60%</u>
Mr. Yip Wai Ming	Shares	248,000	-	-	248,000	0.02%
	Equity Derivatives: Share Options (Note 2)	288,000	-	-	288,000	0.02%
					<u>536,000</u>	<u>0.04%</u>

*Notes:*

1. The Shares and the underlying 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 held in the name of East Asia International Trustees Limited as trustee for the Cheng Family Trust which was founded by Mr. Cheng Li-Yu. The beneficiaries of the Cheng Family Trust include Mr. Cheng Li-Yu and Mr. Cheng Li-Yen. Mr. Cheng Li-Yu is also a director of Southern Asia. Mr. Cheng Li-Yu and Mr. Cheng Li-Yen were deemed to be interested in all the Shares in which Southern Asia was interested by virtue of the SFO.
2. The share options granted by the Company (the "Share Options") are regarded for the time being as unlisted physically settled equity derivatives. Details of the Share Options are set out in the section headed "Share Option Scheme" below and note 13 to the interim financial information.
3. These percentages are calculated on the basis of 1,200,008,445 Shares of the Company in issue as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, 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.

## OTHER INFORMATION

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections headed "Share Option Scheme" and "Share Award Scheme" and in note 13 to the interim financial information, at no time during or at the end of the period ended 30 June 2024 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 child (natural or adopted), or were such rights exercised by them; nor was the Company or any of the Subsidiaries a party to any subsisted arrangement to enable the Directors to acquire such rights in the Company or 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.

The Share Option Scheme will remain in force for a period of 10 years commencing from the date of adoption, i.e. 11 May 2015, with a remaining life of approximately one year.

The period during which an option may be exercised in accordance with the terms of the Share Option Scheme shall be the period set out in the relevant offer letter, provided that such period must expire on the date falling on the tenth anniversary of the date of the grant.

Further details are disclosed in note 13 to the interim financial information.

During the six months ended 30 June 2024, no Share Options were granted under the Share Option Scheme. The following Share Options were outstanding under the Share Option Scheme as at 1 January 2024 and as at 30 June 2024:

Name or category of participant	Number of Share Options						Grant date (Note 1)	Exercise period	Exercise price per Share (Note 2)	Closing price per Share immediately before the grant date
	At 1 January 2024	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	At 30 June 2024				
<b>Directors</b>										
Mr. Cheng Chia-lun	72,000	-	-	-	-	72,000	3-9-2018	7-11-2018 to 31-8-2024	HK\$1.48	HK\$1.48
	72,000	-	-	-	-	72,000	3-9-2018	7-11-2019 to 31-8-2024	HK\$1.48	HK\$1.48
	72,000	-	-	-	-	72,000	3-9-2018	7-11-2020 to 31-8-2024	HK\$1.48	HK\$1.48
	72,000	-	-	-	-	72,000	3-9-2018	7-11-2021 to 31-8-2024	HK\$1.48	HK\$1.48
	72,000	-	-	-	-	72,000	3-9-2018	7-11-2022 to 31-8-2024	HK\$1.48	HK\$1.48
	360,000	-	-	-	-	360,000				

## 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)	Closing price per Share immediately before the grant date
	At 1 January 2024	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period	At 30 June 2024				
Mr. Chiu Hui-Chin	300,000	-	-	-	-	300,000	3-9-2018	7-11-2021 to 31-8-2024	HK\$1.48	HK\$1.48
	300,000	-	-	-	-	300,000	3-9-2018	7-11-2022 to 31-8-2024	HK\$1.48	HK\$1.48
	600,000	-	-	-	-	600,000				
Mr. Huang Kuo-Kuang	252,000	-	-	-	-	252,000	3-9-2018	7-11-2021 to 31-8-2024	HK\$1.48	HK\$1.48
	252,000	-	-	-	-	252,000	3-9-2018	7-11-2022 to 31-8-2024	HK\$1.48	HK\$1.48
	504,000	-	-	-	-	504,000				
Mr. Lin Feng-Chieh	300,000	-	-	-	-	300,000	3-9-2018	7-11-2021 to 31-8-2024	HK\$1.48	HK\$1.48
	300,000	-	-	-	-	300,000	3-9-2018	7-11-2022 to 31-8-2024	HK\$1.48	HK\$1.48
	600,000	-	-	-	-	600,000				
Mr. Tsai Wen-Yu (Note 3)	72,000	-	-	-	(72,000)	-	3-9-2018	7-11-2018 to 31-8-2024	HK\$1.48	HK\$1.48
	72,000	-	-	-	(72,000)	-	3-9-2018	7-11-2019 to 31-8-2024	HK\$1.48	HK\$1.48
	72,000	-	-	-	(72,000)	-	3-9-2018	7-11-2020 to 31-8-2024	HK\$1.48	HK\$1.48
	72,000	-	-	-	(72,000)	-	3-9-2018	7-11-2021 to 31-8-2024	HK\$1.48	HK\$1.48
	72,000	-	-	-	(72,000)	-	3-9-2018	7-11-2022 to 31-8-2024	HK\$1.48	HK\$1.48
	360,000	-	-	-	(360,000)	-				
Mr. Tsai Yung Kwok	252,000	-	-	-	-	252,000	3-9-2018	7-11-2019 to 31-8-2024	HK\$1.48	HK\$1.48
	252,000	-	-	-	-	252,000	3-9-2018	7-11-2020 to 31-8-2024	HK\$1.48	HK\$1.48
	252,000	-	-	-	-	252,000	3-9-2018	7-11-2021 to 31-8-2024	HK\$1.48	HK\$1.48
	252,000	-	-	-	-	252,000	3-9-2018	7-11-2022 to 31-8-2024	HK\$1.48	HK\$1.48
	1,008,000	-	-	-	-	1,008,000				
Mr. Yip Wai Ming	72,000	-	-	-	-	72,000	3-9-2018	7-11-2019 to 31-8-2024	HK\$1.48	HK\$1.48
	72,000	-	-	-	-	72,000	3-9-2018	7-11-2020 to 31-8-2024	HK\$1.48	HK\$1.48
	72,000	-	-	-	-	72,000	3-9-2018	7-11-2021 to 31-8-2024	HK\$1.48	HK\$1.48
	72,000	-	-	-	-	72,000	3-9-2018	7-11-2022 to 31-8-2024	HK\$1.48	HK\$1.48
	288,000	-	-	-	-	288,000				



## 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)	Closing price per Share immediately before the grant date
	At 1 January 2024	Granted during the Period	Exercised during the Period	Cancelled during the Period	Lapsed during the Period				
<b>Other employees</b>									
In aggregate	20,400	-	-	-	-	20,400	3-9-2018	7-11-2018 to 31-8-2024	HK\$1.48
	46,400	-	-	-	-	46,400	3-9-2018	7-11-2019 to 31-8-2024	HK\$1.48
	47,600	-	-	-	-	47,600	3-9-2018	7-11-2020 to 31-8-2024	HK\$1.48
	12,252,800	-	-	-	(280,000)	11,972,800	3-9-2018	7-11-2021 to 31-8-2024	HK\$1.48
	12,250,800	-	-	-	(280,000)	11,970,800	3-9-2018	7-11-2022 to 31-8-2024	HK\$1.48
	<u>24,618,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(560,000)</u>	<u>24,058,000</u>			
	<u>28,338,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(920,000)</u>	<u>27,418,000</u>			

#### 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 event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital of the Company in accordance with the rules of the Share Option Scheme.
3. Mr. Tsai Wen-Yu ceased to be an independent non-executive Director with effect from the conclusion of the annual general meeting of the Company held on 16 May 2024. Accordingly, the 360,000 share options granted to him that had been outstanding lapsed on the same date.

The number of Share Options available for grant under the scheme mandate as at 1 January 2024 and as at 30 June 2024 remained at 116,634,244.

## OTHER INFORMATION

### SHARE AWARD PLAN

On 19 May 2017, a trust deed (the “Trust Deed”) was entered into between the Company as settlor and Bank of Communications Trustee Limited as trustee (the “Trustee”) in relation to the establishment of a trust (the “Trust”) and adoption of a share award plan (the “Plan”).

The purpose of the Plan is to recognize the contribution by eligible participants under the Plan and to attract suitable personnel for further development of the Group. The Company may make contribution to the Trust for the purpose of vesting awarded Shares with the selected participants. Pursuant to the Plan, the Board may from time to time at its sole discretion subject to requirements under the Plan, cause to be paid any sums of money to the Trustee and instruct the Trustee to purchase Shares in the market at prevailing market price. The Trustee will hold the awarded shares on trust for all or one or more of the selected participants until such awarded shares are vested with the relevant selected participants in accordance with the rules of the Plan.

The Plan is a discretionary scheme of the Company and shall be subject to the administration of the Board and the Trustee in accordance with the rules of the Plan and the Trust Deed. The Plan does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules.

On 5 December 2022, the Board resolved to make certain amendments (the “Amendments”) to the Plan effective on the same date, to the effect that: (1) the Trustee will not be instructed to subscribe for any new Shares for the purpose of satisfying awards to be granted following the effective date of the Amendments such that all awards to be granted shall be satisfied by existing Shares only; (2) the Trustee shall abstain from voting on matters that require Shareholders’ approval under the Listing Rules in respect of any Shares held under the Trust unless required by law to vote in accordance with the beneficial owner’s direction and such a direction is given; and (3) other house-keeping amendments are made for the purpose of making consequential amendments in line with the above amendments and to clarify the existing practice. Save for the Amendments disclosed in the announcement of the Company dated 5 December 2022 and other cosmetic changes, no other changes have been made to the Plan and all other terms of the Plan remain effective.

#### ***Eligible participants and maximum entitlement***

Eligible participants include any employee (whether full time or part time, including any executive director but excluding any non-executive director) and any non-executive director (including independent non-executive director) of the Company, any Subsidiary or any Invested Entity. There is no maximum entitlement applicable to an individual participant of the Plan.

#### ***Vesting period***

The vesting period of an award of Shares commences on the date on which such Shares have been provisionally set aside by the Trustee to such the grantee and ends on the date on which the legal and beneficial title to the Shares awarded are transferred to the grantee, which shall be within ten business days after the latest of (a) such date as determined by the Board; and (b) where applicable, the date on which the condition(s) or performance target(s) (if any) to be attained by such grantee have been attained.

#### ***Determination of purchase price***

Where the Trustee effects a purchase of Shares by off-market transactions for satisfying an award under the Plan, the purchase price shall not be higher than the lower of (a) the closing market price per Share on the trading day immediately prior to such purchase on which the Shares were traded on the Stock Exchange, and (b) the average closing market price per Share for the five preceding trading days on which the Shares were traded on the Stock Exchange.

## OTHER INFORMATION

### SHARE AWARD PLAN (continued)

#### Term

The Plan will remain in force for a period of 30 years since the date of adoption of the Plan, i.e. 19 May 2017, with a remaining life of approximately 23 years. Early termination may be done by the Board.

During the six months ended 30 June 2024, (i) there were no unvested awards under the Plan; (ii) no share award was granted by the Board to any eligible participants; and (iii) no awards were vested, cancelled nor lapsed.

The Plan constitutes a share scheme funded by existing shares within the meaning of Chapter 17 of the Listing Rules. Accordingly, the scheme mandate limit does not apply. However, in any given financial year, the Trustee shall not purchase more than 10% of the total number of issued Shares as at the beginning of such financial year for the purpose of the Plan. During the period ended 30 June 2024, no Share was purchased by the Trustee.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, 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:

#### Long positions

Name of shareholders	Capacity and nature of interest	Number of Shares	Approximate percentage of the Company's issued share capital (Note 3)
Southern Asia	Beneficial owner	303,240,986	25.27%
Shine Century Assets Corp. (Note 1)	Interest of controlled corporations	303,240,986	25.27%
East Asia International Trustees Limited (Note 1)	Trustee	303,240,986	25.27%
Ms. Lin Mei-Li (Note 2)	Beneficial owner	7,064,046	0.59%
	Interest of spouse	326,648,986	27.22%
		<u>333,713,032</u>	<u>27.81%</u>
Bank of Communications Trustee Limited	Trustee	354,345,774	29.53%



## OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (continued)

Notes:

1. The Shares and underlying 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 held in the name of East Asia International Trustees Limited as trustee for the Cheng Family Trust. 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 Trustees 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.
2. 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.
3. These percentages are calculated on the basis of 1,200,008,445 Shares of the Company in issue as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, 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.

### CHANGES IN DIRECTOR'S BIOGRAPHICAL DETAILS

Changes in Director's biographical details for the Period and up to the date of this interim report, which are required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules, are set out below:

Name of Director	Details of change
Mr. Tsai Wen-Yu	Mr. Tsai Wen-Yu ceased to be an independent non-executive Director and a member of each of the audit committee, remuneration committee, nomination committee and corporate governance committee of the Board with effect from the conclusion of the annual general meeting of the Company held on 16 May 2024.
Mr. Yip Wai Ming	Mr. Yip Wai Ming resigned as an independent non-executive director, the chairman of the audit committee and member of the nomination committee, of the board of directors of Yida China Holdings Limited (stock code: 3639) with effect from 26 July 2024.

Save as disclosed above, there are no other matters required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules or required to be brought to the attention of the shareholders of the Company.

### 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 did not recommend the payment of interim dividend for the Period.

## OTHER INFORMATION

### CORPORATE GOVERNANCE PRACTICES

The Company continues to devote much effort on formulating and implementing 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 Part 2 of Appendix C1 to the Listing Rules. The Company and its corporate governance committee periodically review 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 C.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. With effect from 16 March 2022, Mr. Cheng Li-Yu assumed both roles as the chairman of the Board and the chief executive officer of the Company. The Board believes that having the same individual serving both roles as chairman of the Board and the chief executive officer of the Company allows the Group to be managed under a consistent leadership and the overall strategy of the Group to be more effectively formulated and executed.

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

Pursuant to code provision C.1.6 of the CG Code, among others, independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders.

During the Period, Mr. Cherng Chia-Jiun, Mr. Yip Wai Ming and Mr. Tsai Wen-Yu were unable to attend the annual general meeting of the Company held on 16 May 2024, respectively, due to other business engagements.

### 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 of the Company during the Period.

### AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting policies, accounting standards and practices adopted by the Group, the unaudited consolidated interim financial information and results of the Group for the Period and this interim report and has no disagreement.

By order of the Board  
**Ju Teng International Holdings Limited**  
**Cheng Li-Yu**  
*Chairman and Chief Executive Officer*

Hong Kong, 15 August 2024