

## CHAIRMAN'S STATEMENT

On behalf of the Board (the "Board") of Directors (the "Directors") of Ju Teng International Holdings Limited (the "Company" or "Ju Teng"), I am pleased to present the annual report of the Company for the year ended 31 December 2005, which is the first annual report of the Company since its listing on the Main Board of The Stock Exchange of Hong Kong Limited on 3 November 2005.

### BUSINESS REVIEW

#### High growth in notebook computer market

As a leading global manufacturer of notebook computer casings, Ju Teng achieved remarkable growth in revenue in 2005. The turnover of the Company and its subsidiaries (collectively, the "Group") increased 71% from approximately HK\$1,561 million in 2004 to approximately HK\$2,672 million in 2005. The fast growing global notebook computer market and Taiwan's increasing share in the market have benefited Ju Teng greatly. The Directors expect the notebook computer market to continue to deliver growth of over 20% each year in the coming few years bolstered by the replacement of desktop PCs by notebook computers. Taiwan manufacturers currently supply over 70% of notebook computers shipment globally and their market share is still growing after having relocated their production plants to the PRC and built the world's largest notebook supply chain in the Shanghai area. With direct presence in Jiangsu province, Ju Teng is able to work closely with Taiwan notebook computers assembly players, including Quanta, Compal, Asustek and Wistron to increase operational efficiency and optimise product development.

#### Advanced technologies

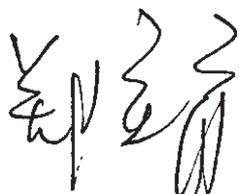
Similar to other consumer products, notebook computers need to have appealing product designs to stand out in the market. To attract maximum customers' attention, top notebook computer brands are putting greater efforts into notebook computer design. As a leading notebook computer casing manufacturer, Ju Teng specialises in creating new looks for notebook computers. Ju Teng possesses advanced casing technologies, such as double-shot injection (dual colour injection) which enables moulding and stamping of different plastic materials of different colours into a single piece. Ju Teng's expertise also lies in advanced surface painting and thin-wall moulding. It is capable of spray painting that creates three-dimensional visual effects to give products more colourful and attractive appearances. In terms of material applications, Ju Teng has recently launched the carbon-fibre alloy notebook computer casing that has the rigidity and lightness of light metal and longer mould-production life and ease of painting of plastic. The Directors believe carbon-fibre alloy is likely to become the mainstream material for notebook computer casings.

### PROSPECTS

The Directors remain optimistic about the Group's performance in 2006 as they expect a strong demand for notebook computers to continue in 2006. The Group will continue to diversify from notebook computer casings to casings of other electronic products by leveraging at its relationships with existing customers and utilisation of its specialised technological know-how in casing manufacturing. Recognising the importance of being able to constantly develop new and advanced products, the Group will focus on perfecting material applications and spray painting technology. With major challenges in the coming year including rising short term interest rates, raw material price fluctuation and cost implication of the possible appreciation of the Renminbi in the coming year, the Group will strive to improve production efficiency to alleviate the impact of the increase in the production cost.

### APPRECIATION

I would like to take this opportunity to thank the Board, our shareholders and business partners for their commitment and continuous support. On behalf of the Group, I would also like to express my gratitude to all my dedicated colleagues for their efforts over the past year, without which we would not have achieved so much progress.



Chairman

Hong Kong  
21 April 2006