



**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

2015 INTERIM REPORT

## 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

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

### CORPORATE GOVERNANCE COMMITTEE

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

### LEGAL ADVISERS AS TO HONG KONG LAWS

Chiu & Partners

### AUDITORS

Ernst & Young

### PRINCIPAL BANKERS

ANZ Bank  
Bank of China  
Bank SinoPac  
Chang Hwa Commercial Bank  
China Development Industrial Bank  
Chinatrust Commercial Bank  
DBS Bank  
E.Sun Bank  
Fubon Bank  
Mega International Commercial Bank  
Public Bank  
Taishin International Bank  
The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
Yuanta Commercial Bank

### REGISTERED OFFICE

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

## **CORPORATE INFORMATION**

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

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

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

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

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

Royal Bank of Canada Trust Company  
(Cayman) Limited  
4th Floor, Royal Bank House  
24 Shedden Road  
PO Box 1586  
Grand Cayman KY1-1110  
Cayman Islands

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

Tricor Investor Services Limited  
Level 22, Hopewell Centre  
183 Queen's Road East, Wanchai  
Hong Kong

### **WEBSITE**

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

### **STOCK CODE**

3336.HK and 9136.TT

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 2015 (the “Period”) as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

	Notes	For the six months ended 30 June	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
<b>REVENUE</b>	2	<b>4,214,869</b>	4,398,690
Cost of sales		<b>(3,408,976)</b>	(3,624,459)
Gross profit		<b>805,893</b>	774,231
Other income and gains	3	<b>69,181</b>	88,187
Selling and distribution expenses		<b>(56,760)</b>	(55,574)
Administrative expenses		<b>(312,300)</b>	(309,696)
Other expenses		<b>(47,528)</b>	(19,071)
Finance costs	4	<b>(44,238)</b>	(46,703)
<b>PROFIT BEFORE TAX</b>	5	<b>414,248</b>	431,374
Income tax expense	6	<b>(62,870)</b>	(83,118)
<b>PROFIT FOR THE PERIOD</b>		<b>351,378</b>	348,256
Attributable to:			
Equity holders of the Company		<b>354,383</b>	310,686
Non-controlling interests		<b>(3,005)</b>	37,570
		<b>351,378</b>	348,256
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	8		
– Basic (HK cents)		<b>30.7</b>	26.6
– Diluted (HK cents)		<b>29.7</b>	25.5

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
<b>PROFIT FOR THE PERIOD</b>	<b>351,378</b>	348,256
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(17,606)	(248,103)
Available-for-sale investment:		
Change in fair value	4,605	16,308
Income tax effect	(783)	(2,772)
	<b>3,822</b>	13,536
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b>(13,784)</b>	(234,567)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>337,594</b>	113,689
Attributable to:		
Equity holders of the Company	341,281	120,783
Non-controlling interests	(3,687)	(7,094)
	<b>337,594</b>	113,689

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2015

	Notes	30 June 2015 (Unaudited) HK\$'000	31 December 2014 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	9,049,895	8,589,489
Lease premium for land		348,820	348,392
Goodwill		40,062	40,062
Prepayments for acquisition of property, plant and equipment		158,651	121,475
Available-for-sale investments		38,207	37,304
Total non-current assets		9,635,635	9,136,722
<b>CURRENT ASSETS</b>			
Inventories		1,348,482	1,354,806
Trade receivables	10	2,781,632	3,313,337
Prepayments, deposits and other receivables		708,026	728,330
Derivative financial instruments		1,975	–
Pledged bank balances		42,215	35,565
Cash and cash equivalents		1,451,323	1,563,614
Total current assets		6,333,653	6,995,652
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	11	941,687	1,347,954
Other payables and accruals		941,272	1,164,257
Tax payable		183,698	291,649
Interest-bearing bank borrowings		2,481,959	2,085,070
Derivative financial instruments		–	21,610
Total current liabilities		4,548,616	4,910,540
<b>NET CURRENT ASSETS</b>			
		1,785,037	2,085,112
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		11,420,672	11,221,834
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		2,664,578	2,632,610
Deferred income		552,016	616,894
Deferred tax liabilities		25,306	14,765
Total non-current liabilities		3,241,900	3,264,269
Net assets		8,178,772	7,957,565
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	12	116,530	116,195
Reserves		6,655,634	6,258,330
Proposed final dividend		–	172,745
		6,772,164	6,547,270
<b>Non-controlling interests</b>		1,406,608	1,410,295
Total equity		8,178,772	7,957,565

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to equity holders of the Company												
	Issued capital	Share premium account	Treasury shares	Employee share-based compensation reserve	Capital reserve	Statutory reserve fund	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
(Unaudited)													
At 1 January 2014	116,736	590,894	-	60,737	365,239	182,964	862,032	3,864,239	17,595	175,105	6,235,541	1,397,249	7,632,790
Profit for the Period	-	-	-	-	-	-	-	310,686	-	-	310,686	37,570	348,256
Other comprehensive income for the Period:													
Change in fair value of available-for-sale investment, net of tax	-	-	-	-	-	-	-	-	13,536	-	13,536	-	13,536
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(203,439)	-	-	-	(203,439)	(44,664)	(248,103)
Total comprehensive income for the Period	-	-	-	-	-	-	(203,439)	310,686	13,536	-	120,783	(7,094)	113,689
Share-based compensation arrangements	-	-	-	7,407	-	-	-	-	-	-	7,407	-	7,407
Final 2013 dividend declared	-	-	-	-	-	-	-	-	-	(175,105)	(175,105)	-	(175,105)
At 30 June 2014	116,736	590,894	-	68,144	365,239	182,964	658,593	4,174,925	31,131	-	6,188,626	1,390,155	7,578,781
(Unaudited)													
At 1 January 2015	116,195	366,493*	(498)*	51,623*	365,239*	182,964*	651,610*	4,628,906*	11,993*	172,745	6,547,270	1,410,295	7,957,565
Profit for the Period	-	-	-	-	-	-	-	354,383	-	-	354,383	(3,005)	351,378
Other comprehensive income for the Period:													
Change in fair value of available-or-sale investment, net of tax	-	-	-	-	-	-	-	-	3,822	-	3,822	-	3,822
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(16,924)	-	-	-	(16,924)	(682)	(17,606)
Total comprehensive income for the Period	-	-	-	-	-	-	(16,924)	354,383	3,822	-	341,281	(3,687)	337,594
Issue of shares in connection with the exercise of warrants	1,367	61,519	-	-	-	-	-	-	-	-	62,886	-	62,886
Share issue expense	-	(418)	-	-	-	-	-	-	-	-	(418)	-	(418)
Cancellation of shares repurchased	(1,032)	(20,186)	498	-	-	-	-	-	-	-	(20,720)	-	(20,720)
Transfer from retained profits	-	-	-	-	-	29,542	(29,542)	-	-	-	-	-	-
Share-based compensation arrangements	-	-	-	16,529	-	-	-	-	-	-	16,529	-	16,529
Final 2014 dividend declared	-	(1,919)	-	-	-	-	-	-	-	(172,745)	(174,664)	-	(174,664)
At 30 June 2015	116,530	405,489*	-*	68,152*	365,239*	212,506*	634,686*	4,953,747*	15,815*	-	6,772,164	1,406,608	8,178,772

\* These reserve accounts comprise the consolidated reserves of HK\$6,655,634,000 (31 December 2014: HK\$6,258,330,000) in the condensed consolidated statement of financial position.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	774,671	892,528
Income tax paid	(160,941)	(87,978)
Withholding tax paid	(357)	–
Interest received	7,524	8,946
Interest paid	(48,547)	(51,244)
<b>Net cash flows from operating activities</b>	<b>572,350</b>	<b>762,252</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of items of property, plant and equipment	(966,538)	(748,821)
Purchases of lease premium for land	(4,729)	(151,729)
Proceeds from disposal of items of property, plant and equipment	56,056	79,792
Proceeds from disposal of available-for-sale investments	602	–
(Increase)/decrease in pledged bank balances	(6,650)	866
Increase in prepayments for acquisition of property, plant and equipment	(37,176)	(167,922)
<b>Net cash flows used in investing activities</b>	<b>(958,435)</b>	<b>(987,814)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New bank loans	1,259,096	1,421,471
Repayment of bank loans	(829,669)	(618,736)
Dividend paid	(174,664)	(175,105)
Proceeds from issue of shares in connection with the exercise of warrants	62,886	–
Shares repurchase	(20,720)	–
Payment for share issue expenses	(418)	–
<b>Net cash flows from financing activities</b>	<b>296,511</b>	<b>627,630</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(89,574)</b>	<b>402,068</b>
Cash and cash equivalents at beginning of Period	1,563,614	1,061,299
Effect of foreign exchange rate changes, net	(22,717)	(60,815)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>1,451,323</b>	<b>1,402,552</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,451,323	1,402,552



# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2015

## 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” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The interim condensed consolidated 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 2014. 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 2014, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) and the accounting policies of equity instruments and warrants that affect the Company and the Group and has adopted for the first time for the current period’s financial information:

### NEW AND REVISED HKFRSs

*Annual Improvements 2010-2012 Cycle*

Amendments to a number of HKFRSs

*Annual Improvements 2011-2013 Cycle*

Amendments to a number of HKFRSs

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

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a potential impact on its results of operations and financial position.

### ACCOUNTING POLICIES

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

#### *Warrants*

Warrants issued by the Company that will be settled by a fixed amount of cash for a fixed number of the Company’s equity instruments are equity instrument. The warrants are recognised initially at the net proceeds received.

# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2015

## 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	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
The People's Republic of China (the "PRC"), excluding Hong Kong	4,161,493	4,170,525
The Republic of China	40,679	137,613
Others	12,697	90,552
	<b>4,214,869</b>	<b>4,398,690</b>

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

## 3. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interest income	7,524	8,946
Subsidy income <sup>#</sup>	14,561	64,467
Compensation income	8,289	6,921
Exchange gains, net	33,527	–
Others	5,280	7,853
	<b>69,181</b>	<b>88,187</b>

<sup>#</sup> Various government subsidies have been received for enterprises engaged business in Mainland China. There are no unfulfilled conditions or contingences relating to these subsidies.

# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2015

## 4. FINANCE COSTS

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

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Interest on bank loans and other loans	48,547	51,244
Total interest expense on financial liabilities not at fair value through profit or loss	48,547	51,244
Less: Interest capitalised	(4,309)	(4,541)
	<u>44,238</u>	<u>46,703</u>

## 5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Cost of inventories sold	3,380,076	3,666,185
Depreciation	442,345	377,596
Amortisation of lease premium for land	4,585	7,112
Provision/(written back of provision) for slow-moving and obsolete inventories	26,996	(19,671)
Losses on disposal of items of property, plant and equipment, net	19,496	10,215
Losses on disposal of available-for-sale investments	687	–
Reversal of impairment of other receivables	(1,010)	–
Foreign exchange (gains)/losses, net	(9,942)	2,986
Fair value (gains)/losses on derivative financial instruments, net	(23,585)	3,164

# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2015

## 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 2014: 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	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Provision for the Period		
Current – The PRC, excluding Hong Kong		
Charge for the Period	53,045	67,996
Underprovision in prior years	4,486	1,014
Current – Overseas		
Charge for the Period	8,123	12,095
Overprovision in prior years	(12,544)	(7,747)
Deferred tax	9,760	9,760
Total tax charge for the Period	62,870	83,118

## 7. INTERIM DIVIDEND

The Directors did not propose to declare any interim dividend for the Period (six months ended 30 June 2014: Nil).

# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2015

## 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\$354,383,000 (six months ended 30 June 2014: HK\$310,686,000) and the weighted average number of 1,155,309,140 (six months ended 30 June 2014: 1,167,366,000) 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\$354,383,000 (six months ended 30 June 2014: HK\$310,686,000). The weighted average number of ordinary shares used in the calculation is 1,155,309,140 (six months ended 30 June 2014: 1,167,366,000) ordinary shares in issue during the Period, as used in the basic earnings per share calculation, and the weighted average number of 37,667,726 (six months ended 30 June 2014: 52,910,595) 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\$971,711,000 (six months ended 30 June 2014: HK\$958,867,000) and disposed of property, plant and equipment with an aggregate net book value of HK\$75,552,000 (six months ended 30 June 2014: HK\$90,007,000).

The amount of borrowing costs capitalised during the Period was approximately HK\$4,309,000 (six months ended 30 June 2014: HK\$4,541,000). The weighted average rate used to determine the amount of borrowing costs eligible for capitalisation was approximately 1.82% (six months ended 30 June 2014: 2.00%), which is the effective interest rate of the borrowings.

## 10. TRADE RECEIVABLES

The general credit terms of the Group range from 60 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 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Within 3 months	2,160,656	2,493,789
4 to 6 months	572,881	795,222
7 to 12 months	48,095	24,326
	<u>2,781,632</u>	<u>3,313,337</u>

# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2015

## 11. TRADE AND BILLS PAYABLES

The trade payables are non-interest-bearing and are normally settled on 60 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:

	<b>As at 30 June 2015 (Unaudited) HK\$'000</b>	As at 31 December 2014 (Audited) HK\$'000
Within 3 months	<b>643,943</b>	1,120,453
4 to 6 months	<b>198,594</b>	196,157
7 to 12 months	<b>80,293</b>	16,479
Over 1 year	<b>18,857</b>	14,865
	<b>941,687</b>	1,347,954

## 12. SHARE CAPITAL

	<b>As at 30 June 2015 (Unaudited) HK\$'000</b>	As at 31 December 2014 (Audited) HK\$'000
Authorised: 2,000,000,000 shares of HK\$0.1 each	<b>200,000</b>	200,000
Issued and fully paid: 1,165,302,880 (31 December 2014: 1,161,950,000) shares of HK\$0.1 each	<b>116,530</b>	116,195

# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2015

## 12. SHARE CAPITAL (continued)

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

	Number of shares in issue of HK\$0.1 each	Share capital HK\$'000	Share premium account HK\$'000	Total HK\$'000
At 1 January 2015	1,161,950,000	116,195	366,493	482,688
Cancellation of shares repurchased (note(i))	(10,318,000)	(1,032)	(20,186)	(21,218)
Final 2014 dividend declared (note(ii))	–	–	(1,919)	(1,919)
Issue of warrant shares (note(iii))	13,670,880	1,367	61,519	62,886
Share issue expenses	–	–	(418)	(418)
At 30 June 2015	<u>1,165,302,880</u>	<u>116,530</u>	<u>405,489</u>	<u>522,019</u>

Notes:

- i. The Company purchased 5,340,000 of its shares on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") in January 2015 for a total consideration (including expenses) of HK\$20,720,000 and the repurchased shares were cancelled during the Period. The issued capital of the cancelled shares was reduced by the par value and the premium paid thereon including related expenses have been charged to the share premium account of the Company accordingly. The 4,978,000 repurchased shares, which held as treasury shares as at 31 December 2014, were also cancelled in January 2015.
- ii. Subsequent to the approval of the 2014 financial statements and prior to the book close period of the 2014 final dividend, additional 12,795,006 ordinary shares were issued by the Company as a result of the exercise of the subscription rights by certain bonus warrant holders. Accordingly, an additional 2014 final dividend amounted to HK\$1,919,000 was paid in 2015.
- iii. A bonus issue of warrants (the "Warrants") was made by the Company in the proportion of one Warrant for every eight shares held on the record date, i.e. 9 April 2015, resulting 143,954,000 Warrants being issued. Each Warrant entitles the warrant holder thereof to subscribe for one warrant share at the initial subscription price of HK\$4.60 per warrant share (subject to adjustment) at any time during the period from 15 April 2015 to 14 October 2016 (both days inclusive).

During the Period, the Company issued a total of 13,670,880 shares at a subscription price of HK\$4.60 per warrant share pursuant to the exercise of subscription rights attached to the Warrants by certain bonus warrant holders, resulting in the issue of 13,670,880 shares of HK\$0.10 each for a total cash consideration, before expenses, of HK\$62,886,000. The issued capital of the warrant shares was increased by the par value and the premium received thereon after deducting the related expenses incurred on the issue of the bonus warrants have been credited to share premium account of the Company accordingly.

### 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.

# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2015

## 13. SHARE OPTION SCHEME

A share option scheme (the "Old Scheme") was adopted by the Company on 3 November 2005 and was terminated by resolutions of the shareholders of the Company on 11 May 2015 and a new share option scheme (the "New Scheme") was adopted by the Company on 11 May 2015. Details of the terms of the Old Scheme were disclosed in the Annual Report of the Company for the year ended 31 December 2014.

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

	2015		2014	
	Weighted average exercise price HK\$ per share	Number of options	Weighted average exercise price HK\$ per share	Number of options
At 1 January	3.08	120,022,000	0.97	68,446,000
Lapsed during the Period	2.78	<u>(100,000)</u>	-	<u>-</u>
At 30 June	3.08	<u>119,922,000</u>	0.97	<u>68,446,000</u>

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

## 14. CONTINGENT LIABILITIES

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

## 15. PLEDGE OF ASSETS

As at 30 June 2015 and 31 December 2014, 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 2015 and 31 December 2014, shares of certain subsidiaries of the Company were pledged to secure banking facilities granted to the Group.



# NOTES TO INTERIM FINANCIAL INFORMATION

30 June 2015

## 16. OPERATING LEASE COMMITMENTS

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

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

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Within one year	2,473	7,310
In the second to fifth years, inclusive	399	1,455
	<u>2,872</u>	<u>8,765</u>

## 17. COMMITMENTS

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

	As at 30 June 2015 (Unaudited) HK\$'000	As at 31 December 2014 (Audited) HK\$'000
Contracted, but not provided for:		
Land and buildings	66,703	98,285
Machinery and office equipment	47,796	133,548
Total capital commitments	<u>114,499</u>	<u>231,833</u>

## 18. RELATED PARTY TRANSACTIONS

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

	For the six months ended 30 June 2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Rental expenses paid to: Ms. Lin Mei-Li (Note)	<u>31</u>	<u>32</u>

Note:

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 2015

## 18. RELATED PARTY TRANSACTIONS (continued)

- (b) Outstanding balances with related parties:

As at 30 June 2015 and 31 December 2014, the Group did not have any balances with the related companies.

- (c) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Short term employee benefits	6,275	6,126
Employee share-based compensation expenses	5,839	3,090
Total compensation paid to key management personnel	12,114	9,216

## 19. FAIR VALUE AND FAIR VALUE HIERARCHY

The carrying amounts of the Group's financial instruments as at 30 June 2015 and 31 December 2014 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 2015, the Group's financial instruments which comprise an available-for-sale investment 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 observation inputs (Level 2 under the fair value hierarchy), respectively.

## 20. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, on 9 July 2015, a total of 70,504,000 share options were granted by the Company to its directors and certain employees of the Group. These share options vest from 9 July 2015 to 7 November 2022 and have an exercise price of HK\$3.29 per share and an exercise period ranging from 9 July 2015 to 31 August 2024. The closing price of the Company's shares at the date of grant was HK\$3.29 per share. 68,584,000 of these share options are designated by the Company as replacement awards of the previous share options granted on 2 September 2014, which were cancelled and replaced by these new share options on 9 July 2015.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW & PROSPECT

The pressure of economic downturn at home and abroad intensified in the first half of 2015, and the global personal computers (“PC”) market also encountered enormous challenges. The latest statistical data released by International Data Corporation (“IDC”) showed that the global PC market during the Period performed slightly below expectation particularly when comparing with the steady development of the PC market last year. The global PC shipments recorded an 11.8% decrease over the same period of last year. As one of the world’s leading notebook computer casing manufacturers, Ju Teng’s business performance corresponds closely with the market, and its revenue was, therefore, affected. Even so, with the market development strategy and the timely adjustment in product structure over the years, the Group achieved an improvement in gross margin during the Period as compared of that in 2014.

The sales of notebook computer casing recorded a decline during the Period, as Microsoft’s Windows 10 recently released, consumers maintained wait-and-see attitude in the market, and distributors reduced their inventory. Meanwhile, under the influence of strong US dollars and the majority of the final products were priced in US dollars, some emerging countries faced additional pressure, further affecting the PC market and the Group’s sales of notebook computer casing. In addition, tablet PC serves as the product between smartphone and notebook computer, its functions are limited. The global shipments of tablet PC recorded a 7.0% decrease in the second quarter of 2015. Nevertheless, the Group has shifted the focus onto 2-in-1 PC products which saw faster growth. During the Period, Ju Teng provided casing for the new 2-in-1 PC product of a well-known information technology (“IT”) company, which filled the gap in this sector same period last year and contributed considerable income to the Group.

For the smartphones, according to the statistical data by IDC, vendors shipped a total of 337.2 million smartphones worldwide in the second quarter of 2015, representing an increase of approximately 11.6% as compared with the same period of 2014. This is the second highest quarterly performance on record, yet smartphone continues to saturate in many emerging markets such as China. The Group adjusted the product structure in a timely manner with its acumen market insight. Up till now, thanks to the high profit margin and high-end market demand of metal casings, Ju Teng tends to continue to expand this business and reserves an option to continually reduce the proportion of plastic casings which profit margin lower, with close regard to the on-going mainstream products. As such, Ju Teng’s Chongqing plant is well prepared as a guarantee for necessary production capacity of the Group.

As the world’s leading casing manufacturer for smart mobile devices, Ju Teng has dominate leading positions in the manufacture of plastic casings, metal casings and composite material casings with outstanding technologies as well as research and development. In the meantime, Ju Teng continuously improved its profit margin over the past years through closely grasping the market opportunities, optimizing the product structure and expanding the proportion of the promising metal casings. In addition, the Group planned to expand 600 to 800 computerized numerical controls (“CNC”) specializing for the manufacture of metal casings this year, therefore, the relevant gross margin is expected to continuously improve. The Group’s gross margin has been gradually rising from 8.4% in the first half of 2011 to 19.1% during the same period of 2015.

## **BUSINESS REVIEW & PROSPECT** (continued)

Looking ahead the second half of the year, taking into account of the release of new CPU and over 14 million downloaders worldwide within 24 hours following the release of Windows 10 on 29 July 2015, the demand for computers with higher configuration is expected to be accelerated in order to operate smoothly under Windows 10. Therefore, the sale of PC is expected to be brought up as well as the further climbing of the Group's business performance. In addition, according to the prediction released by market research institution Gartner Consulting Inc. ("Gartner"), the shipments of global hybrid devices ("hybrid PC") are on pace to reach 21.5 million units in 2015, representing an increase of 70% from 2014. Hybrid PC is still a major impetus in the PC market in the forthcoming years, and this momentum is believed to maintain to 2019. The global shipments of hybrid PC is expected to reach 58 million units in 2019. Hence, the Group believes the existing 2-in-1 PC product casing business will continue to increase, and will seek collaboration opportunities with more hybrid PC manufacturers. Regarding the materials, magnesium aluminum alloy is commonly used in 2-in-1 PC casings, implying a trend towards metal casings in the high-end hybrid PC and corresponding the wise corporate development strategy duly employed by the Group – vigorously develop the capacity of metal casings.

Ju Teng keeps abreast of the market, actively explores new markets, develops new products and maintains its competitiveness. The Group anticipates that the IT sector will be dominated by the companies with strengths in software development and cloud technology in the coming one to two decades. Since the end of 2011, Ju Teng started its strategic transformation and moved forward with a major customer which masters software development and cloud technology. After the investment and adjustment made in the past two to three years, the Group achieved an initial success in the first half of 2015. The revenue from such customer accounted for approximately 27% of the total revenue of the Group during the Period. The management of the Group is optimistic on the upside potential of such customer, and believes the revenue brought by such customer accounting for the total revenue of the Group will continue to increase going forward.

This year is the tenth anniversary of Ju Teng's listing on the Hong Kong Stock Exchange. Beyond the unparalleled track record, Ju Teng will continue to improve the profit mix and strive to achieve a higher gross profit margin by proactive adjustment of market strategies, flexible optimization of product and material mix, reasonable allocation of production capacity, reduction of cost, efficiency enhancement with regard to market dynamics. The management of the Group believes Ju Teng will continue to demonstrate strong resilience among the investor public and achieve another spectacular results through the tough and challenging markets.

## **FINANCIAL REVIEW**

During the Period, the Group continued its strategy to launch new products and boosted its metal casings operation to compensate the sluggish demand for notebook computers. There was a decrease of the Group's revenue of approximately 4.2% to approximately HK\$4,215 million (2014: HK\$4,399 million). Due to the higher margin on the sales of new products and metal casings, the Group's gross profit margin during the Period raised to approximately 19.1% (2014: 17.6%).

## **FINANCIAL REVIEW** (continued)

During the Period, due to the decrease in various government subsidies received by certain subsidiaries of the Company in the PRC, the Group recorded a decrease of approximately 21.6% in other income and gains to approximately HK\$69 million (2014: HK\$88 million), accounting for approximately 1.6% (2014: 2.0%) of the Group's revenue.

Due to the expansion of the production capacity of production plants in Jiangsu Province and Chongqing City, the Group recorded an increase of approximately 1.0% in operating costs, including administrative expenses, and selling and distribution costs, to approximately HK\$369 million (2014: HK\$365 million) during the Period, amounting to approximately 8.8% (2014: 8.3%) of the Group's revenue.

During the Period, due to the increase in losses on disposal of items of property, plant and equipment and the written off of certain trade receivables amounts, the Group recorded an increase of approximately 149.2% in other expenses to approximately HK\$48 million (2014: HK\$19 million), accounting for approximately 1.1% (2014: 0.4%) of the Group's revenue.

Finance costs of the Group decreased by approximately 5.3% to approximately HK\$44 million (2014: HK\$47 million) for the Period as compared to that of the same period in 2014, which was mainly attributable to the decrease in borrowing costs. Interest capitalised during the Period was approximately HK\$4 million (2014: HK\$5 million).

Income tax expenses of the Group decreased by approximately 24.4% to approximately HK\$63 million (2014: HK\$83 million) for the Period as compared to that of the same period in 2014, resulting from more profits generated from lower tax jurisdictions.

The profit attributable to equity holders of the Company for the Period amounted to approximately HK\$354 million (2014: HK\$311 million), representing an increase of approximately 14.1% when compared to that of the same period last year. The increase in the profit attributable to equity holders was mainly attributable to the increase in the Group's gross profit and decrease in income tax expenses.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2015, total bank borrowings of the Group amounted to approximately HK\$5,147 million (31 December 2014: HK\$4,718 million), representing an increase of approximately 9.1% as compared to that of 31 December 2014. The Group's bank borrowings include short-term loans with 1-year maturity, 2-year term loans and 3-year revolving syndicated loans. As at 30 June 2015, the Group's bank loans denominated in USD and New Taiwan Dollars were approximately HK\$5,087 million (31 December 2014: HK\$4,658 million) and approximately HK\$60 million (31 December 2014: HK\$60 million) respectively.

## **LIQUIDITY AND FINANCIAL RESOURCES** (continued)

During the Period, the Group's cashflow from operating activities decreased to approximately HK\$572 million from approximately HK\$762 million during the same period last year mainly due to a decrease in trade and bills payables. As a result of the purchase of fixed assets for the expansion of production plants in Jiangsu Province and Chongqing City, the Group recorded a net cash outflow from investing activities of approximately HK\$958 million (2014: HK\$988 million). During the Period, due to the additional bank borrowings obtained to finance the expansion of production capacities, the Group recorded a net cash inflow from financing activities of approximately HK\$297 million (2014: HK\$628 million). As at 30 June 2015, the Group had cash and bank balances of approximately HK\$1,451 million (31 December 2014: HK\$1,564 million).

As at 30 June 2015, the Group's gearing ratio, calculated as total bank borrowings of approximately HK\$5,147 million (31 December 2014: HK\$4,718 million) divided by total assets of approximately HK\$15,969 million (31 December 2014: HK\$16,132 million) was 32.2% (31 December 2014: 29.2%). The increase of gearing ratio was due to the increase in total bank borrowings.

In order to strengthen the equity base of the Company and increase the Company's working capital, a bonus issue of warrants was made by the Company on 15 April 2015, resulting 143,954,000 Warrants being issued. Each Warrant entitles the warrant holder thereof to subscribe for one warrant share at the initial subscription price of HK\$4.60 per warrant share (subject to adjustment) at any time during the period from 15 April 2015 to 14 October 2016 (both days inclusive). On the basis of the maximum number of Warrants to be issued and based on the subscription price per warrant share, the net proceeds of the Warrants is estimated to be approximately HK\$662 million. It is intended that 70% of the net proceeds will be used for the purchase of production equipment and construction of production plant and 30% of the net proceeds will be used as general working capital of the Group depending on its business needs at the relevant time. During the period, the Company raised a gross proceed of approximately HK\$63 million upon exercise of subscription rights attached to the 13,670,880 warrants by certain warrant holders.

## **PLEDGE OF ASSETS**

As at 30 June 2015 and 31 December 2014, 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 2015 and 31 December 2014, shares of certain subsidiaries of the Company 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 as needed to mitigate possible exchange losses in relation to the fluctuations in the values of the USD and RMB.

## **EMPLOYEES**

As at 30 June 2015, the Group had approximately 32,000 employees (30 June 2014: 39,000 employees). The Group recorded staff costs of approximately HK\$1,026 million (2014: HK\$1,103 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 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 employees with welfare schemes as required by the applicable laws and regulations of the PRC.

## **CAPITAL COMMITMENT**

As at 30 June 2015, the capital commitments which the Group had contracted for but were not provided for in the financial information in respect of the acquisition of land, buildings, machinery and office equipment amounted to approximately HK\$114 million (31 December 2014: HK\$232 million).

## **CONTINGENT LIABILITIES**

As at 30 June 2015, 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 2015, 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 Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") were as follows:

Name of Director		Long positions Number of ordinary shares of HK\$0.1 each (the "Shares") and underlying Shares held under equity derivatives			Total interests	Approximate percentage of the Company's issued share capital
		Personal interests	Interests of spouse	Other interests (Note 1)		
Mr. Cheng Li-Yen	Shares	-	-	303,240,986	303,240,986	26.03%
	Equity Derivatives: TDRs (Note 2)	1,665,000	-	-	1,665,000	0.14%
	Warrants (Note 3)	208,125	-	37,905,123	38,113,248	3.27%
					<u>343,019,234</u>	<u>29.44%</u>
Mr. Cheng Li-Yu	Shares	20,000,000	7,064,046	303,240,986	330,305,032	28.35%
	Equity Derivatives: Warrants (Note 3)	2,500,000	883,005	37,905,123	41,288,128	3.54%
					<u>371,593,160</u>	<u>31.89%</u>
Mr. Cheng Chia-Jiun	Shares	104,000	-	-	104,000	0.01%
	Equity Derivatives: Warrants (Note 3)	13,000	-	-	13,000	0.00%
	Share Options (Note 4)	406,000	-	-	406,000	0.03%
					<u>523,000</u>	<u>0.04%</u>
Mr. Huang Kuo-Kuang	Shares	6,175,866	2,300,631	-	8,476,497	0.73%
	Equity Derivatives: Warrants (Note 3)	771,983	287,578	-	1,059,561	0.09%
	Share Options (Note 4)	1,754,000	-	-	1,754,000	0.15%
					<u>11,290,058</u>	<u>0.97%</u>



## OTHER INFORMATION

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

Name of Director		Long positions Number of ordinary shares of HK\$0.1 each (the "Shares") and underlying Shares held under equity derivatives				Approximate percentage of the Company's issued share capital
		Personal interests	Interests of spouse	Other interests (Note 1)	Total interests	
Mr. Hsieh Wan-Fu	Shares	2,278,432	-	-	2,278,432	0.19%
	Equity Derivatives:					
	Warrants (Note 3)	341,054	-	-	341,054	0.03%
	Share Options (Note 4)	2,206,000	-	-	2,206,000	0.19%
				<u>4,825,486</u>	<u>0.41%</u>	
Mr. Lo Jung-Te	Shares	7,619,942	-	-	7,619,942	0.65%
	Equity Derivatives:					
	Warrants (Note 3)	952,492	-	-	952,492	0.08%
	Share Options (Note 4)	2,206,000	-	-	2,206,000	0.19%
				<u>10,778,434</u>	<u>0.92%</u>	
Mr. Tsai Wen-Yu	Shares	70,000	-	-	70,000	0.01%
	Equity Derivatives:					
	Warrants (Note 3)	8,750	-	-	8,750	0.00%
	Share Options (Note 4)	406,000	-	-	406,000	0.03%
				<u>484,750</u>	<u>0.04%</u>	
Mr. Tsui Yung Kwok	Shares	4,550,000	-	-	4,550,000	0.39%
	Equity Derivatives:					
	Warrants (Note 3)	568,750	-	-	568,750	0.05%
	Share Options (Note 4)	1,754,000	-	-	1,754,000	0.15%
				<u>6,872,750</u>	<u>0.59%</u>	
Mr. Yip Wai Ming	Shares	70,000	-	-	70,000	0.01%
	Equity Derivatives:					
	Warrants (Note 3)	8,750	-	-	8,750	0.00%
	Share Options (Note 4)	406,000	-	-	406,000	0.03%
				<u>484,750</u>	<u>0.04%</u>	

## OTHER INFORMATION

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

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 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.
2. The 1,665,000 units of Taiwan depository receipts (the "TDRs") are regarded for the time being as listed physically settled equity derivatives listing on the Taiwan Stock Exchange Corporation, representing 1,665,000 Shares.
3. The warrants issued by the Company (the "Warrants"), which commenced dealings on the Main Board of the Hong Kong Stock Exchange on 16 April 2015 (details of which are set out in the circular of the Company dated 1 April 2015 and announcement of the Company dated 15 April 2015), are regarded for the time being as listed physically settled equity derivatives. Each Warrant entitles the warrant holder thereof to subscribe at any time during the period from 15 April 2015 to 14 October 2016 (both days inclusive) for one fully paid Share at an initial subscription price of HK\$4.60 per Share (subject to adjustment).
4. 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.

Save as disclosed above, as at 30 June 2015, 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 13 to the interim financial information and save for the Warrants, 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.

### SHARE OPTION SCHEME

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

## OTHER INFORMATION

### SHARE OPTION SCHEME (continued)

The following Share Options were outstanding under the Old Scheme and the New Scheme during the Period:

Name or category of participant	Number of share options				At 30 June 2015	Grant date (Note 1)	Exercise period	Exercise price per Share (Note 2)	Closing price per Share immediately before the grant date
	At 1 January 2015	Granted during the Period	Exercised during the Period	Lapsed during the Period					
<b>Directors</b>									
Mr. Cherng Chia-Jiun	1,000	-	-	-	1,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.93
	35,000	-	-	-	35,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.93
	35,000	-	-	-	35,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.93
	35,000	-	-	-	35,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.93
	60,000	-	-	-	60,000	2-9-2014	7-11-2018 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2019 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2020 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2021 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2022 to 31-8-2024	HK\$4.59	HK\$4.53
	<u>406,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>406,000</u>				
Mr. Huang Kuo-Kuang	1,000	-	-	-	1,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.93
	251,000	-	-	-	251,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.93
	251,000	-	-	-	251,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.93
	251,000	-	-	-	251,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.93
	200,000	-	-	-	200,000	2-9-2014	7-11-2018 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2019 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2020 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2021 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2022 to 31-8-2024	HK\$4.59	HK\$4.53
	<u>1,754,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,754,000</u>				
Mr. Hsieh Wan-Fu	402,000	-	-	-	402,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.93
	402,000	-	-	-	402,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.93
	402,000	-	-	-	402,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.93
	200,000	-	-	-	200,000	2-9-2014	7-11-2018 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2019 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2020 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2021 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2022 to 31-8-2024	HK\$4.59	HK\$4.53
	<u>2,206,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,206,000</u>				

## OTHER INFORMATION

### SHARE OPTION SCHEME (continued)

Name or category of participant	Number of share options				At 30 June 2015	Grant date (Note 1)	Exercise period	Exercise price per Share (Note 2)	Closing price per Share immediately before the grant date
	At 1 January 2015	Granted during the Period	Exercised during the Period	Lapsed during the Period					
<b>Directors (continued)</b>									
Mr. Lo Jung-Te	402,000	-	-	-	402,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.93
	402,000	-	-	-	402,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.93
	402,000	-	-	-	402,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.93
	200,000	-	-	-	200,000	2-9-2014	7-11-2018 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2019 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2020 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2021 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2022 to 31-8-2024	HK\$4.59	HK\$4.53
	<u>2,206,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,206,000</u>				
Mr. Tsai Wen-Yu	1,000	-	-	-	1,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.93
	35,000	-	-	-	35,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.93
	35,000	-	-	-	35,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.93
	35,000	-	-	-	35,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.93
	60,000	-	-	-	60,000	2-9-2014	7-11-2018 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2019 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2020 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2021 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2022 to 31-8-2024	HK\$4.59	HK\$4.53
<u>406,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>406,000</u>					
Mr. Tsui Yung Kwok	1,000	-	-	-	1,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.93
	251,000	-	-	-	251,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.93
	251,000	-	-	-	251,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.93
	251,000	-	-	-	251,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.93
	200,000	-	-	-	200,000	2-9-2014	7-11-2018 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2019 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2020 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2021 to 31-8-2024	HK\$4.59	HK\$4.53
	200,000	-	-	-	200,000	2-9-2014	7-11-2022 to 31-8-2024	HK\$4.59	HK\$4.53
	<u>1,754,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,754,000</u>				

## OTHER INFORMATION

### SHARE OPTION SCHEME (continued)

Name or category of participant	Number of share options				At 30 June 2015	Grant date (Note 1)	Exercise period	Exercise price per Share (Note 2)	Closing price per Share immediately before the grant date
	At 1 January 2015	Granted during the Period	Exercised during the Period	Lapsed during the Period					
<b>Directors (continued)</b>									
Mr. Yip Wai Ming	1,000	-	-	-	1,000	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.93
	35,000	-	-	-	35,000	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.93
	35,000	-	-	-	35,000	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.93
	35,000	-	-	-	35,000	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.93
	60,000	-	-	-	60,000	2-9-2014	7-11-2018 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2019 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2020 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2021 to 31-8-2024	HK\$4.59	HK\$4.53
	60,000	-	-	-	60,000	2-9-2014	7-11-2022 to 31-8-2024	HK\$4.59	HK\$4.53
	<u>406,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>406,000</u>				
<b>Other employees</b>									
In aggregate	100,099	-	-	-	100,099	17-1-2012	7-11-2014 to 30-11-2019	HK\$0.97	HK\$0.93
	15,227,967	-	-	(16,666)	15,211,301	17-1-2012	7-11-2015 to 30-11-2019	HK\$0.97	HK\$0.93
	15,227,967	-	-	(16,667)	15,211,300	17-1-2012	7-11-2016 to 30-11-2019	HK\$0.97	HK\$0.93
	15,227,967	-	-	(16,667)	15,211,300	17-1-2012	7-11-2017 to 30-11-2019	HK\$0.97	HK\$0.93
	350,000	-	-	-	350,000	2-9-2014	7-11-2014 to 31-8-2024	HK\$4.59	HK\$4.53
	380,000	-	-	-	380,000	2-9-2014	7-11-2015 to 31-8-2024	HK\$4.59	HK\$4.53
	380,000	-	-	-	380,000	2-9-2014	7-11-2016 to 31-8-2024	HK\$4.59	HK\$4.53
	378,000	-	-	-	378,000	2-9-2014	7-11-2017 to 31-8-2024	HK\$4.59	HK\$4.53
	12,664,000	-	-	(10,000)	12,654,000	2-9-2014	7-11-2018 to 31-8-2024	HK\$4.59	HK\$4.53
	12,732,000	-	-	(10,000)	12,722,000	2-9-2014	7-11-2019 to 31-8-2024	HK\$4.59	HK\$4.53
	12,696,000	-	-	(10,000)	12,686,000	2-9-2014	7-11-2020 to 31-8-2024	HK\$4.59	HK\$4.53
	12,732,000	-	-	(10,000)	12,722,000	2-9-2014	7-11-2021 to 31-8-2024	HK\$4.59	HK\$4.53
	12,788,000	-	-	(10,000)	12,778,000	2-9-2014	7-11-2022 to 31-8-2024	HK\$4.59	HK\$4.53
	<u>110,884,000</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>110,784,000</u>				
	<u>120,022,000</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>119,922,000</u>				

#### Notes:

- The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- The exercise price of the share options is subject to adjustment in the 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 Old Scheme and the New Scheme.

## OTHER INFORMATION

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

As at 30 June 2015, 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 shareholders	Capacity and nature of interest	Long positions			Approximate percentage of the Company's issued share capital
		Number of Shares	Number of underlying Shares held under equity derivatives (Note 1)	Total interests	
Southern Asia	Beneficial owner	303,240,986	37,905,123	341,146,109	29.28%
Shine Century Assets Corp. (Note 2)	Interest of controlled corporation	303,240,986	37,905,123	341,146,109	29.28%
East Asia International Trustees Limited (Note 2)	Trustee (other than a bare trustee)	303,240,986	37,905,123	341,146,109	29.28%
Ms. Lin Mei-Li (Note 3)	Beneficial owner	7,064,046	883,005	7,947,051	0.68%
	Interest of spouse	323,240,986	40,405,123	363,646,109	31.21%
				<u>371,593,160</u>	<u>31.89%</u>
AllianceBernstein L.P.	Interest of controlled corporation (Note 4)	7,326,849	915,856	8,242,705	0.71%
	Investment manager	60,387,000	7,548,375	67,935,375	5.83%
				<u>76,178,080</u>	<u>6.54%</u>
Templeton Asset Management Ltd.	Investment manager	86,052,000	10,756,500	96,808,500	8.31%

## OTHER INFORMATION

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

Notes:

1. The long position in the underlying Shares held under equity derivatives represents the interest in the Warrants.
2. 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 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 was 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") and AllianceBernstein Holdings Limited. ABCD were interested in these Shares by virtue of its 100% control in (i) AllianceBernstein Hong Kong Limited, which was interested in 21,537,000 Shares; (ii) AllianceBernstein Investment Management Australia Limited, which was interested in 4,259,250 Shares and (iii) AllianceBernstein Japan Inc., which was interested in 1,251,000 Shares by virtue of its 100% control in AllianceBernstein Japan Ltd. AllianceBernstein Holdings Limited were interested in these Shares by virtue of its 100% control in AllianceBernstein Limited, which was interested in 3,024,955 Shares. AllianceBernstein L.P. was deemed to be interested in all the Shares in which AllianceBernstein International LLC, ABCD, AllianceBernstein Holdings Limited, AllianceBernstein Hong Kong Limited, AllianceBernstein Investment Management Australia Limited, AllianceBernstein Japan Inc., AllianceBernstein Japan Ltd. and AllianceBernstein Limited were interested by virtue of the SFO.

Save as disclosed above, as at 30 June 2015, 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

During the Period, the Company repurchased a total of 5,340,000 shares on the Hong Kong Stock Exchange at an aggregate consideration (before expenses) of HK\$20,653,000.

Particulars of the repurchases were as follows:

Month of repurchase	Number of ordinary shares repurchased	Price per ordinary share		Aggregate purchase price paid HK\$'000
		Highest HK\$	Lowest HK\$	
January 2015	<u>5,340,000</u>	3.93	3.68	20,653
		Total expenses on shares repurchased		<u>67</u>
				<u>20,720</u>

The repurchased shares were cancelled during the Period, and the issued share capital of the Company was accordingly reduced by the par value of the repurchased ordinary shares so cancelled. The 4,978,000 shares repurchased during the year ended 31 December 2014 were also cancelled in January 2015.

The above repurchases were effected by the Directors pursuant to the mandate from shareholders approved at the annual general meeting of the Company held on 14 May 2014, with a view to benefiting shareholders as a whole by enhancing the net assets value per Share and earnings per share of the Group.

Save as disclosed above, 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 Appendix 14 to the Listing Rules. The Company and its corporate governance committee periodically review its corporate governance practices to ensure 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 reasons for such deviation had been set out under the paragraph headed “Code Provision A.2.1” in the corporate governance report incorporated in the Company’s annual report for the year ended 31 December 2014.

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.

### **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 and the unaudited consolidated interim financial information and results of the Group for the Period.

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

Hong Kong, 25 August 2015