巨騰國際控股有限公司
JU TENG INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3336)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

Financial Highlights

- Revenue for the six months ended 30 June 2016 was approximately HK$3,696 million, representing a decrease of approximately 12.3%.
- Gross profit for the six months ended 30 June 2016 was approximately HK$551 million, representing a decrease of approximately 31.7%.
- Gross profit margin for the six months ended 30 June 2016 decreased to approximately 14.9% from approximately 19.1% for the six months ended 30 June 2015.
- Profit attributable to equity holders of the Company for the six months ended 30 June 2016 was approximately HK$202 million, representing a decrease of approximately 43.1%.
- Basic earnings per share attributable to equity holders of the Company decreased to approximately HK$18.2 cents, representing a decrease of approximately 40.7%.
- Net asset value per share attributable to equity holders of the Company as at 30 June 2016 reached approximately HK$5.8 as compared with approximately HK$5.8 as at 31 December 2015.

The board (the "**Board**") of directors (the "**Directors**") of Ju Teng International Holdings Limited (the "**Company**" or "**Ju Teng**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2016 (the "**Period**") as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2016

		For the six months ended 30 June	
		2016	2015
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
REVENUE	2	**3,696,230**	4,214,869
Cost of sales		**(3,145,691)**	(3,408,976)
Gross profit		**550,539**	805,893
Other income and gains	3	**168,016**	69,181
Selling and distribution expenses		**(52,418)**	(56,760)
Administrative expenses		**(304,773)**	(312,300)
Other expenses		**(35,231)**	(47,528)
Finance costs	4	**(48,900)**	(44,238)
PROFIT BEFORE TAX	5	**277,233**	414,248
Income tax expense	6	**(46,787)**	(62,870)
PROFIT FOR THE PERIOD		**230,446**	351,378
Attributable to:			
Equity holders of the Company		**201,632**	354,383
Non-controlling interests		**28,814**	(3,005)
		230,446	351,378
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
- Basic (HK cents)		**18.2**	30.7
- Diluted (HK cents)		**17.8**	29.7

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
PROFIT FOR THE PERIOD	**230,446**	351,378
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(174,353)**	(17,606)
Available-for-sale investment:		
Change in fair value	**(5,654)**	4,605
Income tax effect	**961**	(783)
	(4,693)	3,822
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(179,046)**	(13,784)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**51,400**	337,594
Attributable to:		
Equity holders of the Company	**60,285**	341,281
Non-controlling interests	**(8,885)**	(3,687)
	51,400	337,594

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2016

	Notes	**30 June 2016 (Unaudited) *HK$'000***	31 December 2015 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**8,430,388**	8,397,593
Lease premium for land		**463,721**	465,616
Goodwill		**53,985**	40,062
Prepayments for acquisition of lease premium for land, property, plant and equipment		**119,444**	3,034
Available-for-sale investments		**14,371**	24,803
Total non-current assets		**9,081,909**	8,931,108
CURRENT ASSETS			
Inventories		**1,276,483**	1,295,793
Trade receivables	9	**2,706,010**	3,079,708
Prepayments, deposits and other receivables		**448,888**	509,095
Principal-protected investment deposits		**-**	61,745
Pledged bank balances		**33,435**	37,049
Cash and cash equivalents		**1,477,589**	1,541,485
Total current assets		**5,942,405**	6,524,875
CURRENT LIABILITIES			
Trade and bills payables	10	**878,262**	1,051,886
Other payables and accruals		**893,948**	915,832
Tax payable		**163,758**	217,033
Interest-bearing bank borrowings		**3,432,149**	3,492,946
Total current liabilities		**5,368,117**	5,677,697
NET CURRENT ASSETS		**574,288**	847,178
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,656,197**	9,778,286
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**1,422,909**	1,410,591
Deferred income		**344,198**	417,500
Deferred tax liabilities		**26,639**	22,788
Total non-current liabilities		**1,793,746**	1,850,879
Net assets		**7,862,451**	7,927,407
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	11	**111,998**	111,997
Reserves		**6,341,413**	6,433,901
		6,453,411	6,545,898
Non-controlling interests		**1,409,040**	1,381,509
Total equity		**7,862,451**	7,927,407

NOTES

1. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES 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 2015. 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 2015, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**", which also include HKASs and Interpretations) that affect the Company and the Group and has adopted for the first time for the current period's financial information:

<u>New and Revised HKFRSs</u>

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
HKFRS 14	*Regulatory Deferral Accounts*
Amendments to HKAS 1	*Disclosure Initiative*
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

Adoption of these 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.

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	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
The People's Republic of China (the "**PRC**"), excluding Hong Kong	**3,626,087**	4,161,493
The Republic of China	**49,004**	40,679
Others	**21,139**	12,697
	3,696,230	4,214,869

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

3. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest income	**5,637**	7,524
Subsidy income#	**105,389**	14,561
Compensation income	**1,317**	8,289
Exchange gains, net	**53,139**	33,527
Others	**2,534**	5,280
	168,016	69,181

Various government subsidies have been received for enterprises engaged business in Mainland China. There are no unfulfilled conditions or contingencies relating to these subsidies.

4. FINANCE COSTS

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

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans and other loans	**51,687**	48,547
Total interest expense on financial liabilities not at fair value through profit or loss	**51,687**	48,547
Less: Interest capitalised	**(2,787)**	(4,309)
	48,900	44,238

5. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Cost of inventories sold	**3,107,524**	3,380,076
Depreciation	**499,920**	442,345
Amortisation of lease premium for land	**5,829**	4,585
Provision for slow-moving and obsolete inventories	**35,588**	26,996
Losses on disposal of items of property, plant and equipment, net	**26,850**	19,496
Losses on disposal of available-for-sale investments	**-**	687
Impairment of available-for-sale investments	**3,635**	-
Reversal of impairment of other receivables	**-**	(1,010)
Foreign exchange gains, net	**(53,139)**	(9,942)
Fair value gains on derivative financial instruments, net	**-**	(23,585)

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 2015: 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	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Provision for the Period		
Current – The PRC, excluding Hong Kong		
Charge for the Period	**38,202**	53,045
Underprovision in prior years	**4,038**	4,486
Current – Overseas		
Charge for the Period	**19,359**	8,123
Overprovision in prior years	**(19,572)**	(12,544)
Deferred tax	**4,760**	9,760
Total tax charge for the Period	**46,787**	62,870

7. INTERIM DIVIDEND

The Directors did not propose to declare any interim dividend for the Period (six months ended 30 June 2015: Nil).

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

The calculation of basic earnings per share amounts is based on the profit for the Period attributable to equity holders of the Company of HK$201,632,000 (six months ended 30 June 2015: HK$354,383,000) and the weighted average number of 1,108,681,475 (six months ended 30 June 2015: 1,155,309,140) ordinary shares in issue excluding shares held under the share award scheme 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$201,632,000 (six months ended 30 June 2015: HK$354,383,000). The weighted average number of ordinary shares used in the calculation is 1,108,681,475 (six months ended 30 June 2015: 1,155,309,140) ordinary shares in issue excluding shares held under the share award scheme during the Period, as used in the basic earnings per share calculation, and the weighted average number of 21,320,377 (six months ended 30 June 2015: 37,667,726) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

9. 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 2016 (Unaudited) ***HK$'000***	As at 31 December 2015 (Audited) *HK$'000*
Within 3 months	**1,795,230**	2,211,049
4 to 6 months	**868,580**	848,644
7 to 12 months	**42,200**	20,015
	2,706,010	3,079,708

10. 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 reporting period, based on the invoice date, is as follows:

	As at 30 June 2016 (Unaudited) ***HK$'000***	As at 31 December 2015 (Audited) *HK$'000*
Within 3 months	**697,782**	800,983
4 to 6 months	**161,426**	225,442
7 to 12 months	**7,224**	10,850
Over 1 year	**11,830**	14,611
	878,262	1,051,886

11. SHARE CAPITAL

	As at 30 June 2016 (Unaudited) ***HK$'000***	As at 31 December 2015 (Audited) *HK$'000*
Authorised:		
2,000,000,000 shares of HK$0.1 each	**200,000**	200,000
Issued and fully paid:		
1,119,977,445 (31 December 2015: 1,119,977,185) shares of HK$0.1 each	**111,998**	111,997

11. 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 2016	**1,119,977,185**	**111,997**	**218,062**	**330,059**
Issue of shares in connection with the exercise of warrants *(note)*	**260**	**1**	**1**	**2**
2015 final dividend	**-**	**-**	**(167,997)**	**(167,997)**
At 30 June 2016	**1,119,977,445**	**111,998**	**50,066**	**162,064**

Note:

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 in 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 260 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 warrant holders, resulting in the issue of 260 shares of HK$0.10 each for a total cash consideration, before expenses, of HK$1,000. 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.

At the end of the reporting period, the Company had 130,282,555 outstanding Warrants. The exercise in full of the outstanding Warrants would, under the present capital structure of the Company, result in the issue of 130,282,555 additional ordinary shares of the Company and additional share capital of HK$13,028,000 and share premium of HK$586,271,000 (before issue expenses).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review & Prospect

Concerns from the market emerged over the faltering economic growth and strong headwinds persisting in the external environment in the first half of 2016. The subdued global growth and high volatility in global finance led to deeper setbacks in trade. Worldwide personal computers ("**PC**") shipments also lost some momentum and the rising downside risks resulting in a double digit decrease in the first quarter of 2016. According to International Data Corporation ("**IDC**"), a market research institution, the worldwide PC shipments in the second quarter of 2016 recorded a year-on-year decline of 4.5%, narrowing further from previous quarters but this was the seventh consecutive quarter of PC shipment declines. Being a leading notebook computer casing manufacturer which has had successive rising gross profits against market routs for two years, the performance of Ju Teng is impacted by the continuously deteriorating market.

During the Period, worldwide PC shipments recorded a further contraction, especially the performance of low-end products which suffered a significant drop. Ju Teng, which is famous for producing quality plastic casings for notebook computer, suffered a strong hit from the sluggish market, resulting in reduced revenue. Although the production costs have been decreasing following the continuous depreciation of the RMB starting from August last year, Ju Teng has had to lower the selling prices of products so as to maintain its market share and remain on good terms with its customers. The development costs for the new products which are expected to be launched in the second half of 2016 and the expenses incurred for the transformation of some of the existing production facilities from plastic casing products to metal casing products are attributable to the decrease in gross profit.

Looking ahead to the second half of 2016, Ju Teng will continue to conduct research in the casings for the 2-in-1 PC to meet the market needs. IDC also claimed that worldwide tablet shipments declined 12.3% in the second quarter of 2016 and that worldwide tablet shipments declined to 38.7 million units from 44.1 million units last year. Furthermore, tablets serve as products with limited functions between laptops and smartphones so Ju Teng shifted the focus onto 2-in-1 PC products which had faster growth. Since 2014, Ju Teng has provided casings for 2-in-1 product of a well-known information technology company. The respective business kept pace during the Period.

On the other hand, Gartner Inc. ("**Gartner**"), a market research and advisory firm, expects the growth of global smartphone shipment in 2016 will continue to slow down and will no longer grow by double digit as a result of the saturation in many emerging markets such as China. Worldwide smartphone annual sales are expected to grow 7% in 2016 only as compared to 14.4% in 2015 and 73% in 2010. Ju Teng adjusted its product structure in a timely manner with its accurate market insight. Up until now, thanks to the high profit margin nature and high-end market demand of metal casings, Ju Teng will trend toward continuing to expand this business and may reduce the proportion of plastic casings.

As the world's leading manufacturer of casings for notebook computer and handheld devices, Ju Teng dominates in the research and development sector for plastic and metal casings, and its composite materials casings are widely recognized by the industry. Meanwhile, Ju Teng continuously improved its profit margin over the past years through grasping market opportunities, optimizing product structure and expanding the proportion of the promising metal casings.

In addition, last year Gartner said shipments of global hybrid PCs (also known as 2-in-1 PCs) have been on pace to increase from 2012. Hybrid PCs are still a major impetus in the PC market in the forthcoming years, and this momentum is expected to be maintained until 2019. As a driver of this sector, the Company believes that the 2-in-1 PC business will be more promising. With regard to raw materials, metal is commonly used in 2-in-1 PC casings, which is implying a trend towards metal casings in the high-end 2-in-1 PC market and corresponding to the wise corporate development strategy duly employed by Ju Teng – vigorously developing the capacity of metal casings.

Ju Teng will continue to improve the product mix and strive to achieve a higher gross profit margin with proactive adjustment of market strategies, flexible optimization of products and material mix, reasonable allocation of production capacity, reduction of cost and efficiency enhancement. The management believes Ju Teng will continue to demonstrate strong resilience and achieve spectacular results amid a market fraught with challenges.

Financial Review

During the Period, due to the decrease in global shipment of notebook computers and the downward adjustment of selling price of products of the Group in order to maintain the Group's market share, the Group's revenue was declined by approximately 12.3% to approximately HK$3,696 million (2015: HK$4,215 million). Moreover, resulting from the increase in development costs for the new products of the Group which are expected to be launched in second half of 2016, the expenses incurred for the transformation of some of the existing production facilities from plastic casing products to metal casing products and the decrease in revenue, the Group's gross profit margin during the Period dropped to approximately 14.9% (2015: 19.1%).

Other income and gains of the Group mainly consisted of subsidy income of approximately HK$105 million (2015: HK$15 million) and exchange gains of approximately HK$53 million (2015: HK$34 million). Due to the substantial increase in various government subsidies received by certain subsidiaries of the Company in the PRC and the increase in foreign exchange gains, the Group recorded an increase of approximately 142.9% in other income and gains to approximately HK$168 million (2015: HK$69 million) during the Period, accounting for approximately 4.5% (2015: 1.6%) of the Group's revenue.

During the Period, due to the depreciation of Renminbi ("**RMB**"), the Group recorded a decrease of approximately 3.2% in operating costs, including administrative expenses, and selling and distribution costs, to approximately HK$357 million (2015: HK$369 million). Resulting from the decrease in revenue, operating costs of the Group increased to approximately 9.7% (2015: 8.8%) of the Group's revenue.

During the Period, other expenses of the Group mainly consisted of losses on disposal of items of property, plant and equipment of approximately HK$27 million (2015: HK$19 million) and impairment of available-for-sale investments of approximately HK$4 million (2015: Nil). Due to the substantial decrease in the amount of written off of certain trade receivables, the Group recorded a decrease of approximately 25.9% in other expenses to approximately HK$35 million (2015: HK$48 million), accounting for approximately 1.0% (2015: 1.1%) of the Group's revenue.

Finance costs of the Group increased by approximately 10.5% to approximately HK$49 million (2015: HK$44 million) for the Period as compared to that of the same period in 2015, which was mainly attributable to the increase in loan interest rate. Interest capitalised during the Period was approximately HK$3 million (2015: HK$4 million).

Income tax expenses of the Group decreased by approximately 25.6% to approximately HK$47 million (2015: HK$63 million) for the Period as compared to that of the same period in 2015, resulting from the decrease in profit before tax.

The profit attributable to equity holders of the Company for the Period amounted to approximately HK$202 million (2015: HK$354 million), representing a decrease of approximately 43.1% when compared to that of the same period last year. The decrease in the profit attributable to equity holders was mainly attributable to the decrease in the Group's revenue and gross profit.

Liquidity and Financial Resources

As at 30 June 2016, total bank borrowings of the Group amounted to approximately HK$4,855 million (31 December 2015: HK$4,904 million), representing a decrease of approximately 1.0% as compared to that of 31 December 2015. 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 2016, the Group's bank loans denominated in USD and New Taiwan Dollars were approximately HK$4,816 million (31 December 2015: HK$4,848 million) and approximately HK$39 million (31 December 2015: HK$56 million) respectively.

During the Period, the Group's cashflow from operating activities increased to approximately HK$931 million from approximately HK$572 million during the corresponding period last year mainly due to the decrease in the magnitude of the reduction in trade payables and other payables. As a result of the establishment of new plant in Taizhou and 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$763 million (2015: HK$958 million). During the Period, due to the repayment of certain syndicated loan facilities amounts, the Group recorded a net cash outflow from financing activities of approximately HK$224 million (2015: net cash inflow of HK$297 million). As at 30 June 2016, the Group had cash and bank balances of approximately HK$1,478 million (31 December 2015: HK$1,541 million).

As at 30 June 2016, the Group's gearing ratio, calculated as total bank borrowings of approximately HK$4,855 million (31 December 2015: HK$4,904 million) divided by total assets of approximately HK$15,024 million (31 December 2015: HK$15,456 million) was 32.3% (31 December 2015: 31.7%). The slight increase of gearing ratio was due to the decrease in total assets.

Financial Ratios

Inventory turnover days of the Group during the Period of 74 days (2015: 72 days) was slightly higher than that of the corresponding period in 2015 due to the decline in revenue during the Period. There was a decrease in the Group's inventories of approximately 1.5% to approximately HK$1,276 million as at 30 June 2016 from approximately HK$1,296 million as at 31 December 2015.

Trade receivables turnover days of the Group during the Period raised to 133 days (2015: 119 days), which was attributable to the slower payment from the customers during the Period. Trade receivables as at 30 June 2016 was decreased by approximately 12.1% to HK$2,706 million (31 December 2015: HK$3,080 million).

Trade and bills payable turnover days of the Group during the Period amounted to 51 days (2015: 50 days) and remained stable when compared to the corresponding period in 2015.

Pledge of Assets

As at 30 June 2016 and 31 December 2015, 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 2016 and 31 December 2015, 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 and vice versa. 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 2016, the Group had approximately 31,000 employees (30 June 2015: 32,000 employees). The Group recorded staff costs of approximately HK$943 million (30 June 2015: HK$1,026 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 2016, 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$314 million (31 December 2015: HK$110 million).

Contingent Liabilities

As at 30 June 2016, the Group did not have any significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

INTERIM DIVIDEND

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

CORPORATE GOVERNANCE PRACTICES

The Company continues to devote much effort on formulating 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 Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "**Listing Rules**"). The Company and the corporate governance committee of the Company 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 A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Cheng Li-Yu is the chairman of the Board but the Company has not appointed any chief executive officer. Details of the considered reasons for such deviation had been set out under the paragraph headed "Code Provision A.2.1" in the corporate governance report contained in the Company's annual report for the year ended 31 December 2015.

The Board will continue to review the management structure of the Group 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 for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. 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.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the Company's website (http://www.irasia.com/listco/hk/juteng) and the Hong Kong Stock Exchange's website (http://www.hkexnews.hk). The 2016 interim report will be despatched to the shareholders of the Company and will be made available on the websites of the Company and the Hong Kong Stock Exchange in due course in accordance with the Listing Rules.

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

Hong Kong, 15 August 2016

As at the date of this announcement, the executive Directors are Mr. Cheng Li-Yu, Mr. Cheng Li-Yen, Mr. Huang Kuo-Kuang, Mr. Hsieh Wan-Fu, Mr. Lo Jung-Te, and Mr. Tsui Yung Kwok, and the independent non-executive Directors are Mr. Cherng Chia-Jiun, Mr. Tsai Wen-Yu and Mr. Yip Wai Ming.