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**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 2024**

**Financial Highlights**

- Revenue for the six months ended 30 June 2024 was approximately HK\$2,999 million, representing a decline of approximately 13.4%.
- Gross profit for the six months ended 30 June 2024 was approximately HK\$199 million, representing an increase of approximately 84.9%.
- Gross profit margin for the six months ended 30 June 2024 increased to approximately 6.6% from approximately 3.1% for the six months ended 30 June 2023.
- Loss attributable to equity holders of the Company for the six months ended 30 June 2024 was approximately HK\$69 million, as compared to the loss attributable to equity holders of the Company of approximately HK\$57 million for the corresponding period in 2023.
- Basic loss per share attributable to equity holders of the Company for the six months ended 30 June 2024 was approximately HK8.1 cents, as compared to the loss per share attributable to equity holders of the Company of approximately HK6.7 cents for the corresponding period in 2023.
- Net asset value per share attributable to equity holders of the Company as at 30 June 2024 was approximately HK\$4.3 as compared with approximately HK\$4.6 as at 31 December 2023.

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 2024 (the “**Period**”) as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

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

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

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

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

	<i>Notes</i>	<b>30 June 2024 (Unaudited) HK\$'000</b>	31 December 2023 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		5,454,877	5,679,602
Right-of-use assets		764,638	807,247
Deferred tax assets		6,946	7,102
Prepayments for acquisition of property, plant and equipment		17,319	7,974
Equity investment designated at fair value through other comprehensive income		<u>19,982</u>	<u>25,236</u>
Total non-current assets		<u>6,263,762</u>	<u>6,527,161</u>
<b>CURRENT ASSETS</b>			
Inventories		1,346,713	1,538,625
Trade receivables	9	2,212,185	2,486,447
Prepayments, deposits and other receivables		198,172	178,093
Pledged and restricted bank balances		112,324	111,876
Cash and cash equivalents		<u>1,288,448</u>	<u>1,221,852</u>
		5,157,842	5,536,893
Non-current assets classified as held for sale		<u>89,274</u>	<u>91,460</u>
Total current assets		<u>5,247,116</u>	<u>5,628,353</u>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	10	773,427	890,797
Other payables and accruals		1,104,609	1,077,187
Lease liabilities		69,085	133,100
Tax payables		30,884	39,189
Derivative financial instruments		3,424	-
Interest-bearing bank and other borrowings		<u>2,661,084</u>	<u>2,539,139</u>
Total current liabilities		<u>4,642,513</u>	<u>4,679,412</u>
<b>NET CURRENT ASSETS</b>		<u>604,603</u>	<u>948,941</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,868,365</u>	<u>7,476,102</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (continued)

30 June 2024

	<i>Notes</i>	<b>30 June 2024 (Unaudited) HK\$'000</b>	31 December 2023 (Audited) HK\$'000
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank and other borrowings		<b>310,543</b>	597,475
Deferred income		<b>40,030</b>	40,922
Lease liabilities		<b>8,279</b>	9,265
Deferred tax liabilities		<b>60,596</b>	71,648
Total non-current liabilities		<b>419,448</b>	719,310
<b>Net assets</b>		<b>6,448,917</b>	6,756,792
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Issued capital	11	<b>120,001</b>	120,001
Reserves		<b>5,070,602</b>	5,345,443
		<b>5,190,603</b>	5,465,444
<b>Non-controlling interests</b>		<b>1,258,314</b>	1,291,348
<b>Total equity</b>		<b>6,448,917</b>	6,756,792

## NOTES

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

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

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements as at 31 December 2023. The accounting policies and basis of preparation adopted in the preparation of the interim financial information are the same as those used in the annual financial statements for the year ended 31 December 2023, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“**HKFRSs**”), which also include HKASs and Interpretations) for the first time for the current period’s financial information:

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

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

### 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.

## 2. OPERATING SEGMENT INFORMATION (continued)

### Geographical information

Revenue from external customers:

	For the six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
The People's Republic of China (the "PRC" or "Chinese Mainland"), excluding Hong Kong	2,705,649	3,302,124
Others	<u>293,671</u>	<u>161,350</u>
	<u><b>2,999,320</b></u>	<u><b>3,463,474</b></u>

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

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

## 3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

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

### Revenue from contracts with customers

#### (i) Disaggregated revenue information

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

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

#### (ii) *Performance obligation*

##### **Sale of casings for notebook computer and handheld devices**

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

An analysis of other income and gains is as follows:

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

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

### 4. FINANCE COSTS

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

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



## 5. LOSS BEFORE TAX

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

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

## 6. INCOME TAX

Hong Kong profits tax has not been provided as the Group did not have any assessable profits arising in Hong Kong during the Period (six months ended 30 June 2023: Nil). Taxes on assessable profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	For the six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Provision for the Period:		
Current – The PRC, excluding Hong Kong		
Charge for the Period	23,437	21,261
Underprovision in prior years	107	573
Current – Overseas		
Charge for the Period	6,024	11,831
Overprovision in prior years	(12,311)	(12,853)
Deferred tax	(9,953)	3,497
Total tax charge for the Period	7,304	24,309

## 7. INTERIM DIVIDEND

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

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

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

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

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

## 9. TRADE RECEIVABLES

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

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

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

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

## 10. TRADE AND BILLS PAYABLES

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

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

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

## 11. SHARE CAPITAL

	<b>As at 30 June 2024 (Unaudited) HK\$'000</b>	<b>As at 31 December 2023 (Audited) HK\$'000</b>
Authorised: 2,000,000,000 shares of HK\$0.1 each	<u><b>200,000</b></u>	<u><b>200,000</b></u>
Issued and fully paid: 1,200,008,445 shares of HK\$0.1 each	<u><b>120,001</b></u>	<u><b>120,001</b></u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW & PROSPECTS

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

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

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

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

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

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

## **Financial Review**

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

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

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

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

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

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

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

## Liquidity and Financial Resources

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

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

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

## Financial Ratios

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

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

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

## **Pledge of Assets**

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

## **Foreign Exchange Exposure**

Since most of the Group's revenue is denominated in USD and most of the Group's expenses are denominated in RMB, an appreciation of RMB against USD will have adverse effect on the Group's profitability and vice versa. Accordingly, the Group has entered into forward foreign exchange contracts to mitigate possible exchange losses arising from the fluctuations in the values of the USD and RMB. During the Period, the Group recorded foreign exchange gains, net of approximately HK\$86 million (2023: approximately HK\$190 million) and fair value losses on derivative financial instruments, net of approximately HK\$3 million (2023: approximately HK\$23 million). The management of the Group will continue to monitor the Group's foreign currency risk exposures and adopt prudent measures as appropriate to minimise the adverse effects arising from the foreign currency fluctuations.

## **Employees**

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

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

## **Capital Commitment**

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

## **Contingent Liabilities**

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

## **Events After The Reporting Period**

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



## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries had 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 Part 2 of Appendix C1 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**"). 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 C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. With effect from 16 March 2022, Mr. Cheng Li-Yu assumed both roles as the chairman of the Board and the chief executive officer of the Company. The Board believes that having the same individual serving both roles as chairman of the Board and the chief executive officer of the Company would allow the Group to be managed under a consistent leadership and the overall strategy of the Group to be more effectively formulated and executed.

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

## **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 C3 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 for 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 condensed consolidated interim financial information and results of the Group for the Period and has no disagreement.

## **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 interim report of the Company for the six months ended 30 June 2024 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 and Chief Executive Officer*

Hong Kong, 15 August 2024

*As at the date of this announcement, the executive Directors are Mr. Cheng Li-Yu, Mr. Chiu Hui-Chin, Mr. Huang Kuo-Kuang, Mr. Lin Feng-Chieh and Mr. Tsui Yung Kwok, the non-executive Director is Mr. Cheng Li-Yen and the independent non-executive Directors are Mr. Cherng Chia-Jiun, Mr. Yip Wai Ming and Mr. Yuen Chi Ho.*

\* For identification purposes only