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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 2025

Financial Highlights

- Revenue for the six months ended 30 June 2025 was approximately HK\$2,715 million, representing a decline of approximately 9.5%.
- Gross profit for the six months ended 30 June 2025 was approximately HK\$73 million, representing a decline of approximately 63.6%.
- Gross profit margin for the six months ended 30 June 2025 decreased to approximately 2.7% from approximately 6.6% for the six months ended 30 June 2024.
- Loss attributable to equity holders of the Company for the six months ended 30 June 2025 was approximately HK\$79 million, as compared to the loss attributable to equity holders of the Company of approximately HK\$69 million for the corresponding period in 2024.
- Basic loss per share attributable to equity holders of the Company for the six months ended 30 June 2025 was approximately HK9.4 cents, as compared to the basic loss per share attributable to equity holders of the Company of approximately HK8.1 cents for the corresponding period in 2024.
- Net asset value per share attributable to equity holders of the Company as at 30 June 2025 was approximately HK\$4.0 as compared with approximately HK\$3.9 as at 31 December 2024.

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 2025 (the “**Period**”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2025

	Notes	For the six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
REVENUE	3	2,714,737	2,999,320
Cost of sales		<u>(2,642,056)</u>	<u>(2,799,904)</u>
Gross profit		72,681	199,416
Other income and gains	3	208,969	155,826
Selling and distribution expenses		(73,207)	(72,109)
Administrative expenses		(223,343)	(275,059)
Other expenses		(35,177)	(5,438)
Finance costs	4	<u>(80,235)</u>	<u>(97,195)</u>
LOSS BEFORE TAX	5	(130,312)	(94,559)
Income tax expense	6	<u>(2,813)</u>	<u>(7,304)</u>
LOSS FOR THE PERIOD		<u>(133,125)</u>	<u>(101,863)</u>
Attributable to:			
Equity holders of the Company		(79,072)	(68,699)
Non-controlling interests		<u>(54,053)</u>	<u>(33,164)</u>
		<u>(133,125)</u>	<u>(101,863)</u>
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
- Basic (HK cents)		<u>(9.4)</u>	<u>(8.1)</u>
- Diluted (HK cents)		<u>(9.4)</u>	<u>(8.1)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30 June 2025*

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	<u>(133,125)</u>	<u>(101,863)</u>
OTHER COMPREHENSIVE INCOME/(EXPENSES)		
Other comprehensive income/(expenses) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	226,971	(201,806)
Release of exchange fluctuation reserve upon deregistration of a subsidiary	8,298	-
	<u>235,269</u>	<u>(201,806)</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	(5,623)	(5,257)
Income tax effect	-	1,051
	<u>(5,623)</u>	<u>(4,206)</u>
OTHER COMPREHENSIVE INCOME/(EXPENSES) FOR THE PERIOD, NET OF TAX	<u>229,646</u>	<u>(206,012)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE PERIOD	<u>96,521</u>	<u>(307,875)</u>
Attributable to:		
Equity holders of the Company	148,261	(274,841)
Non-controlling interests	(51,740)	(33,034)
	<u>96,521</u>	<u>(307,875)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2025

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		4,798,862	4,819,400
Right-of-use assets		698,078	721,844
Deferred tax assets		6,900	6,775
Prepayments for acquisition of property, plant and equipment		293,904	164,840
Equity investment designated at fair value through other comprehensive income		11,292	16,767
Total non-current assets		<u>5,809,036</u>	<u>5,729,626</u>
CURRENT ASSETS			
Inventories		1,140,951	1,048,338
Trade receivables	9	2,175,274	2,117,978
Prepayments, deposits and other receivables		223,702	210,128
Pledged and restricted bank balances		100,655	107,029
Cash and cash equivalents		1,160,074	1,028,404
		<u>4,800,656</u>	<u>4,511,877</u>
Non-current assets classified as held for sale		72,198	100,956
Total current assets		<u>4,872,854</u>	<u>4,612,833</u>
CURRENT LIABILITIES			
Trade and bills payables	10	951,272	824,411
Other payables and accruals		1,004,975	1,048,459
Lease liabilities		330	1,064
Tax payables		5,121	4,615
Derivative financial instruments		-	2,442
Interest-bearing bank and other borrowings	11	2,777,592	2,632,900
Total current liabilities		<u>4,739,290</u>	<u>4,513,891</u>
NET CURRENT ASSETS		<u>133,564</u>	<u>98,942</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,942,600</u>	<u>5,828,568</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*30 June 2025*

	Notes	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	11	32,843	7,488
Deferred income		40,704	39,028
Lease liabilities		7,460	7,572
Deferred tax liabilities		60,352	60,156
Total non-current liabilities		141,359	114,244
Net assets		5,801,241	5,714,324
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	12	120,001	120,001
Reserves		4,665,456	4,517,195
		4,785,457	4,637,196
Non-controlling interests		1,015,784	1,077,128
Total equity		5,801,241	5,714,324

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 2024. 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 2024, except for the adoption of the amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current period’s financial information. The adoption of the amended HKFRS Accounting Standard has had no significant financial effect on the Group’s condensed consolidated interim financial information.

As at 30 June 2025, the Group has interest-bearing bank and other borrowings of HK\$2,810,435,000, which include a syndicated bank loan of HK\$1,125,740,000 classified as a current liability due to the non-compliance with two of the loan covenants, namely the leverage ratio and the interest coverage ratio, at the end of the reporting period. Subsequent to the end of the reporting period, the Group obtained written consent from the relevant banks, offering the Group a one-off waiver on these loan covenants. According to the facility agreement of the syndicated bank loan, the Group is required to report to the syndicate of banks its compliance with loan covenants as at 30 June and 31 December during the loan period until 2029. In order to improve the Group’s financial position and liquidity, the directors of the Company have formulated a number of measures, including but not limited to the following:

- the Group has a history of successful rollover of revolving loans. The Group will continue to negotiate with banks to refinance and extend existing bank and other borrowing facilities, and to obtain new sources of financing by pledging certain of the Group’s land and properties, if needed;
- the Group has approximately HK\$1,677,317,000 of unutilised revolving loan facilities available to finance the Group’s existing financial obligations and operations; and
- as at 30 June 2025, according to the sale and purchase agreements entered into by the Group and various purchasers in relation to the Group’s disposal of certain land and buildings classified as non-current assets held for disposal, the Group has approximately HK\$484,927,000 outstanding proceeds from such disposals. The Group will continue to pursue these outstanding amounts, of which approximately HK\$127,229,000 has been received after the end of the reporting period.

Taken into account the above measures, the directors of the Company consider that the Group would have adequate resources to meet its liabilities, commitments and funding requirements as and when they fall due within twelve months from 30 June 2025 and hence the Group adopted the going concern basis in preparing the 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.

Geographical information

Revenue from external customers:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
The People's Republic of China (the "PRC" or "Mainland China"), excluding Hong Kong	2,401,545	2,705,649
Others	313,192	293,671
	<u>2,714,737</u>	<u>2,999,320</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 2025 and 30 June 2024, 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.

3. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Revenue from contracts with customers		
Sale of casings for notebook computer and handheld devices	<u>2,714,737</u>	<u>2,999,320</u>

3. REVENUE, OTHER INCOME AND GAINS (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Geographical markets		
The PRC, excluding Hong Kong	2,401,545	2,705,649
Others	313,192	293,671
	<u>2,714,737</u>	<u>2,999,320</u>
Timing of revenue recognition		
Goods transferred at a point in time	<u>2,714,737</u>	<u>2,999,320</u>

(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:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income	12,522	17,161
Subsidy income [#]	2,633	14,151
Compensation income	14,113	5,341
Gross rental income	10,179	11,086
Gain on disposal of items of property, plant and equipment and right-of-use assets, net	3,581	19,700
Gain on disposal of items of non-current assets classified as held for sale*	138,860	-
Write-back of trade receivables	-	47
Reversal of impairment of trade receivables	534	70
Write-off of long outstanding trade payables	-	84
Write-off of long outstanding other payables and accruals	22,618	957
Foreign exchange gains, net	-	86,139
Fair value gains on derivative financial instrument, net	741	-
Others	3,188	1,090
	<u>208,969</u>	<u>155,826</u>

3. REVENUE, OTHER INCOME AND GAINS (continued)

Various government subsidies have been received for enterprises engaged in businesses in Mainland China for promoting the manufacturing industry. There are no unfulfilled conditions or contingencies relating to these subsidies.

* Pursuant to the Group's relocation of certain production plants in Suzhou, the PRC under the urban planning of local government, the Group completed the disposal of certain of its items of property, plant and equipment and right-of-use assets included in the non-current assets classified as held for sale, and recognised a gain on disposal during the Period.

4. FINANCE COSTS

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank and other borrowings	83,161	101,881
Interest on lease liabilities	117	144
Total interest expense on financial liabilities		
not at fair value through profit or loss	83,278	102,025
Less: Interest capitalised	(3,043)	(4,830)
	80,235	97,195

5. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Cost of inventories sold	2,642,056	2,799,904
Depreciation of property, plant and equipment	320,494	342,930
Depreciation of right-of-use assets	9,043	9,988
Provision for inventories, net	98,051	47,890
Write-off/(write-back) of trade receivables	8,987	(47)
Foreign exchange losses/(gains), net	23,562	(86,139)
Fair value losses/(gains) on derivative financial instruments, net	(741)	3,425

6. INCOME TAX

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current:		
The PRC, excluding Hong Kong		
- Charge for the Period	2,633	23,437
- Underprovision/(overprovision) in prior years	(896)	107
Overseas		
- Charge for the Period	10,577	6,024
- Overprovision in prior years	(9,628)	(12,311)
Deferred tax	127	(9,953)
Total tax charge for the Period	<u>2,813</u>	<u>7,304</u>

7. INTERIM DIVIDEND

The Board did not propose to declare any interim dividend for the Period (six months ended 30 June 2024: Nil).

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

The calculation of the basic loss per share amount is based on the loss for the Period attributable to equity holders of the Company of HK\$79,072,000 (six months ended 30 June 2024: HK\$68,699,000) and the weighted average number of 845,662,671 (six months ended 30 June 2024: 845,662,671) ordinary shares outstanding excluding shares held under the share award plan during the Period.

For the six months ended 30 June 2025, no adjustment has been made to the basic loss per share amount in respect of a dilution as the Group had no potentially dilutive ordinary shares outstanding.

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

9. TRADE RECEIVABLES

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Trade receivables	2,177,323	2,120,561
Impairment	(2,049)	(2,583)
	<u>2,175,274</u>	<u>2,117,978</u>

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

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

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Within 3 months	1,464,437	1,315,604
4 to 6 months	671,134	764,878
7 to 12 months	39,703	37,496
	<u>2,175,274</u>	<u>2,117,978</u>

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:

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Within 3 months	668,137	526,832
4 to 6 months	222,034	274,330
7 to 12 months	48,493	15,297
Over 1 year	12,608	7,952
	<u>951,272</u>	<u>824,411</u>

11. INTEREST-BEARING BANK AND OTHER BORROWINGS

As at 30 June 2025, the Group's interest-bearing bank and other borrowings of HK\$2,810,435,000 included a syndicated bank loan of HK\$1,125,740,000 (31 December 2024: HK\$1,020,026,000), which is subject to certain loan covenants. Due to the non-compliance with two of the loan covenants, namely the leverage ratio and the interest coverage ratio, at the end of the reporting period, the syndicated bank loan was reclassified as current portion of interest-bearing bank and other borrowings as at 30 June 2025 and 31 December 2024. Subsequent to the end of the reporting period, the Group obtained written consent from the relevant banks, offering the Group a one-off waiver on these loan covenants.

12. SHARE CAPITAL

	As at 30 June 2025 (Unaudited) HK\$'000	As at 31 December 2024 (Audited) HK\$'000
Authorised:		
2,000,000,000 shares of HK\$0.1 each	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:		
1,200,008,445 shares of HK\$0.1 each	<u>120,001</u>	<u>120,001</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW & PROSPECTS

Looking back at the first half of 2025, the ongoing global geopolitical tensions and the rise of trade protectionism contributed to the further differentiation of the global supply chain. Although inflationary pressures have eased compared to previous years, central banks around the world generally faced a dilemma of fearing a rebound in inflation and excessive tightening that would drag down the economy, resulting in uncertainties in policy adjustments. However, benefiting from multiple factors such as short-term policy drivers, technological innovation catalysts, and personal computer (“PC”) manufacturers accelerating shipments during the suspension of trade tariffs, the PC market has shown short-term growth. According to the survey report released by International Data Corporation, a market research organization, the global PC market made a good start in 2025, with shipments reaching 63.2 million units and 68.4 million units in the first two quarters, recording the year-on-year growth of 4.8% and 6.5%, respectively. In addition, the consumer subsidy policy in Mainland China has effectively boosted the economy and driven the recovery of demand in the PC market. According to the survey report released by Canalys, a market research organization, the PC market in Mainland China grew by 12% to 8.9 million units in the first quarter of 2025. However, as government subsidy expired in some regions, preferential policies for certain categories may be gradually phased out, leading to fluctuations in shipments in the first half of the year, which to some extent reduced the visibility of the business environment.

As one of the world’s leading notebook computer casing manufacturers, the manufacturing 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 fluctuation of tariff rates in major export markets, there was upward pressure on prices and a decline in consumer confidence. Coupled with the fact that the Group’s factory in Vietnam was only officially put into production in the second quarter of 2025, and its production capacity had not been fully released to accept orders, the Group’s sales performance in the first half of the year was under pressure, and the Group recorded revenue of approximately HK\$2,715 million (2024: approximately HK\$2,999 million) for the Period. During the Period, the Group actively optimized its existing resources and business strategies to cope with market changes. However, as the factory in Vietnam was still in the initial stage of operation, and production efficiency and economies of scale could not be fully released, coupled with the increase in provision for inventories, resulted in a decrease in gross profit during the Period as compared with the corresponding period of last year. Therefore, the Group recorded a loss attributable to equity holders of the Company of approximately HK\$79 million (2024: approximately HK\$69 million) for the Period.

During the Period, due to multiple factors e.g. rising tariff levels, increased policy uncertainties, and intensified geopolitical tensions, trade barriers further increased, which had an adverse impact on the demand for production capacity of notebook computer casings in the PRC. To effectively respond to the complex and ever-changing macroeconomic environment, the Group has adjusted its resource allocation strategy, achieved cost reduction and efficiency improvement through factory consolidation plans, and accelerated the relocation of some production capacity from the PRC to Vietnam to achieve more efficient production and delivery so as to enhance supply chain resilience. During the Period, Lian-Yi Precision (Zhongshan) Inc., an indirect, non-wholly-owned subsidiary of the Company, entered into an assets disposal agreement with an independent third party for the sale of certain land and buildings in Zhongshan, pursuant to which certain production capacities of the Group are expected to be relocated to Vietnam within the next three years. For further details, please refer to the announcement of the Company dated 16 April 2025. In addition, the Group’s factory in Vietnam was officially put into production during the Period, and it is expected to gradually release its production capacities in an orderly manner, further optimized its production efficiency and delivery capabilities, and more accurately meet the needs of the downstream manufacturer’s supply chain layout in Southeast Asia. The Group will continue to monitor market changes, actively optimize

and integrate domestic and international resource allocation, and further improve the overall capacity utilization rate to build a more resilient and competitive production network.

Looking ahead to the second half of the year, the global PC market is expected to achieve structural growth driven by the dual factors of Windows system upgrades and artificial intelligence technological innovation. As Microsoft will discontinue support for the Windows 10 operating system in October 2025, and according to the forecast released by Canalys, this upgrade will lead to the elimination of 240 million computers. It is believed that users may accelerate their choice for product replacement to avoid security risks caused by outdated operating systems, which may bring growth momentum for the market. According to the data released by StatCounter, a website traffic analysis tool, the market share of the Windows 10 operating system was still as high as 48.76% as of June 2025, higher than the adoption rate of the Windows 11 operating system, which further confirmed that there was huge upgrade space in the market. At the same time, technological innovation has become an important engine driving the growth of the global PC market. In particular, major global computer manufacturers are accelerating the production and manufacturing of PCs equipped with artificial intelligence technology ("AI PC") to strengthen their competitive advantages in product differentiation, and continuously injecting new growth momentum into the market. According to the latest forecast released by Gartner, Inc., a market research organization, the global shipments of AI PC will surge by 165.5% year-on-year to 114 million units in 2025. It is believed that this round of technological iteration will not only stimulate the demand for PC replacement from the consumer end, but also create space for collaborative development in the upstream and downstream of the industrial chain. The Group will seize this period of strategic opportunity, and take measures such as optimizing global production capacity layout and increasing R&D investment, so as to accurately meet the incremental market demand, consolidate its technological leadership and market share in the field of notebook computer casings.

Despite macroeconomic fluctuations and tariff volatility, which have led to continuous fluctuations on the consumer end and increased uncertainties in the global business environment, the Group remains prudently optimistic about the PC market. The Group will strengthen the market risk warning mechanism, timely and dynamically adjust production capacity layout and supply chain configuration, and accelerate the two-way drivers of resource integration and technological innovation, so as to prepare itself for the cyclical changes in the PC market and consolidate its global competitiveness in the field of notebook computer casing manufacturing. At the same time, the Group will continue to closely monitor market changes, adhere to its strategies of cost reduction and efficiency improvement, balance costs and efficiency and timely allocate its internal resources to improve operation efficiency so as to enhance its operation efficiency in the unstable market conditions and providing sustainable investment returns for its shareholders in the long run.

Financial Review

Revenue and Gross Profit Margin

During the Period, due to the uncertainty of tariff policies, the Group's customers were still evaluating their supply chain decisions to reduce import tariffs. Furthermore, the Group's factory in Vietnam only commenced production in the second quarter of 2025 and its production capacity was not fully released to accept orders, and added with the continued weak demand for the Group's casings products in the first half of the year, the Group's revenue for the Period declined by approximately 9.5% as compared with the corresponding period of last year to approximately HK\$2,715 million (2024: approximately HK\$2,999 million). Despite the Group's continued efforts to reduce production costs, the utilization rate of the Group's production capacity remained low, partly due to the weak demand and the new factory in Vietnam still being in the early stage of operation during the Period and also due to the increase in provision for inventories during the Period, the Group's gross profit margin during the Period decreased to approximately 2.7% (2024: approximately 6.6%). If excluding the provision for inventories, the Group's gross profit margin for the Period would have been approximately 6.3% (2024: approximately 8.2%).

Other income and gains

Due to the recognition of a gain on disposal of non-current assets classified as held for sales of approximately HK\$139 million and the increase in write-off of long outstanding other payables during the Period, which offset the impact of the absence of foreign exchange gains of approximately HK\$86 million recorded in the corresponding period of last year and decrease in gain on disposal of items of property, plant and equipment and right-of-use assets, the Group recorded an increase of approximately 34.1% in other income and gains as compared with the corresponding period of last year to approximately HK\$209 million (2024: approximately HK\$156 million), accounting for approximately 7.7% (2024: approximately 5.2%) of the Group's revenue.

Operating costs

During the Period, the Group recorded a decrease of approximately 14.6% in operating costs, including administrative expenses and selling and distribution expenses, as compared with the corresponding period of last year to approximately HK\$297 million (2024: approximately HK\$347 million). The decrease in the operating costs was mainly attributable to the decrease in staff costs, depreciation expenses, professional fees and transportation expenses as a result of cost control measures. The percentage of operating costs of the Group accounted for approximately 10.9% (2024: approximately 11.6%) of the Group's revenue.

Other expenses

During the Period, other expenses of the Group mainly consisted of net foreign exchange losses, mainly resulting from the translation of trade receivables denominated in United States Dollar ("USD"), of approximately HK\$23 million (2024: net foreign exchange gains of approximately HK\$86 million) arising from the appreciation of Renminbi ("RMB") against USD, and write-off of trade receivables of approximately HK\$9 million (2024: Nil). Mainly due to the change from foreign exchange gains recorded during the six months ended 30 June 2024 to foreign exchange losses during the Period, the Group recorded an increase of approximately 546.9% in other expenses during the Period, as compared with the corresponding period of last year to approximately HK\$35 million (2024: approximately HK\$5 million), accounting for approximately 1.3% (2024: approximately 0.2%) of the Group's revenue.

Finance costs

Finance costs of the Group decreased by approximately 17.5% as compared with the corresponding period of last year to approximately HK\$80 million (2024: approximately HK\$97 million) for the Period, which was mainly attributable to the decrease in bank borrowings as compared with corresponding period of last year. Interest capitalised during the Period was approximately HK\$3 million (2024: approximately HK\$5 million).

Income tax expenses

As deferred tax assets have not been recognised for certain tax losses incurred by certain subsidiaries in the Period and the assessable profits before tax of certain subsidiaries in the PRC decreased as compared with corresponding period of last year, the Group's income tax expenses decreased to approximately HK\$3 million (2024: approximately HK\$7 million) for the Period.

Loss attributable to equity holders of the Company

Despite the measures adopted by the Group to lower the production costs and improve the efficiency through factory consolidation plans, the Group still recorded a loss attributable to equity holders of the Company for the Period of approximately HK\$79 million (2024: approximately HK\$69 million), mainly attributable to the decrease in the revenue and gross profit, the impact of which was partially offset by the increase in other income and gains and decrease in operating costs.

Liquidity and Financial Resources

As at 30 June 2025, total bank and other borrowings of the Group amounted to approximately HK\$2,810 million (31 December 2024: approximately HK\$2,640 million), representing an increase of approximately 6.4% as compared with that as at 31 December 2024. 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 2025, the Group's bank and other loans denominated in USD, New Taiwan dollars and RMB were approximately HK\$2,606 million (31 December 2024: approximately HK\$2,526 million), approximately HK\$28 million (31 December 2024: approximately HK\$17 million) and approximately HK\$176 million (31 December 2024: approximately HK\$97 million), respectively.

During the Period, the Group's net cash flows from operating activities decreased to approximately HK\$149 million from approximately HK\$480 million in the corresponding period of last year, which was mainly due to the increase in loss before tax and increase in inventories. As a result of the purchase of manufacturing equipment for installation in the new production plant in Vietnam and the proceeds received from disposal of non-current assets classified as held for sales, the Group recorded a net cash outflow from investing activities of approximately HK\$147 million (2024: approximately HK\$199 million) during the Period. During the Period, due to the increase in bank borrowings, the Group recorded a net cash inflow from financing activities of approximately HK\$125 million (2024: cash outflow from financing activities of approximately HK\$202 million). As at 30 June 2025, the Group had cash and bank balances of approximately HK\$1,160 million (31 December 2024: approximately HK\$1,028 million).

As at 30 June 2025, the Group's gearing ratio, calculated as total bank and other borrowings of approximately HK\$2,810 million (31 December 2024: approximately HK\$2,640 million) divided by total assets of approximately HK\$10,682 million (31 December 2024: approximately HK\$10,342 million), increased slightly to approximately 26.3% (31 December 2024: approximately 25.5%), which was mainly due to the increase in total bank and other borrowings as at 30 June 2025 as compared with that as at 31 December 2024.

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 decreased to approximately 78 days (2024: approximately 88 days). As at 30 June 2025, there was an increase in the Group's inventories of approximately 8.8% to approximately HK\$1,141 million (31 December 2024: approximately HK\$1,048 million).

Trade receivables turnover days of the Group during the Period increased to approximately 145 days (2024: approximately 134 days) which was due to the slower settlement from customers of the Group. Trade receivables as at 30 June 2025 increased by approximately 2.7% to approximately HK\$2,175 million, as compared with approximately HK\$2,118 million as at 31 December 2024.

Trade and bills payables turnover days of the Group during the Period increased to approximately 65 days (2024: approximately 50 days) which was due to the increase in purchases of production materials in the second quarter of the Period. As at 30 June 2025, there was an increase in the Group's trade and bills payables of approximately 15.4% to approximately HK\$951 million (31 December 2024: approximately HK\$824 million).

Pledge of Assets

As at 30 June 2025, certain land and buildings of the Group with a net carrying amount of approximately HK\$21 million (31 December 2024: approximately HK\$19 million) were pledged to secure certain 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 had 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 losses, net of approximately HK\$23 million (2024: foreign exchange gains, net of approximately HK\$86 million) and fair value gain on derivative financial instruments, net of approximately HK\$1 million (2024: fair value losses, net of approximately HK\$3 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 22,600 employees (2024: approximately 20,000 employees) and recorded staff costs of approximately HK\$1,014 million (2024: approximately HK\$952 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 Company has also adopted a share option scheme for the purpose of providing incentives and rewards to eligible participants, including the employees of the Group, for (among others) their contribution to the growth and development of the Group, as well as a share award plan to recognize the contribution by eligible participants thereunder and to attract suitable personnel for further development of the Group. The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme for its employees in Hong Kong, and provides its PRC, the Republic of China (the "ROC") and Vietnam employees with welfare schemes as required by the applicable laws and regulations of the PRC, ROC and Vietnam.

Capital Commitment

As at 30 June 2025, 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 and machinery amounted to approximately HK\$267 million (31 December 2024: approximately HK\$263 million).

Contingent Liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities.

Events After The Reporting Period

Save as disclosed in note 1 to the condensed consolidated interim financial information, there is no event that will have material impact on the Group after the end of the Period.

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 change when appropriate and inform the shareholder of the Company accordingly.

Pursuant to code provision F.2.2 of the CG Code, among others, the chairman of the Board should invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, the chairman should invite another member of the committee or failing this their duly appointed delegates to attend. Pursuant to code provision C.1.6 of the CG Code, among others, independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders.

During the Period, Mr. Cherng Chia-Jiun, an independent non-executive Director and the chairman of the audit committee and remuneration committee of the Board who retired on 28 May 2025, was unable to attend the annual general meeting of the Company held on 28 May 2025 (the "AGM") due to prior business commitments, and members of the audit committee and remuneration committee of the Board were present at the AGM to answer questions.

Note: The amendments to the CG Code effective on 1 July 2025 will apply to corporate governance reports and annual reports of the Company for financial years commencing on or after 1 July 2025. For this interim results announcement, the Company shall refer to the then effective CG Code.

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 2025 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 2025

As at the date of this announcement, the executive Directors are Mr. Cheng Li-Yu, Mr. Chiu Hui-Chin, Mr. Huang Kuo-Kuang, Mr. Tsui Yung Kwok and Mr. Wang Ting Jin, the non-executive Director is Mr. Cheng Li-Yen, and the independent non-executive Directors are Mr. Yip Wai Ming, Mr. Yuen Chi Ho and Dr. Chuang Shu-Hui.