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**JUDA INTERNATIONAL HOLDINGS LIMITED**  
**鉅大國際控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1329)**

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013**

The board of directors (the “Directors”) of Juda International Holdings Limited (the “Company”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2013 together with the comparative figures for the six months ended 30 September 2012 as follows:

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2013

		Six months ended 30 September	
	Notes	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
<b>Turnover</b>	2	<b>153,422</b>	143,950
Cost of sales		<b>(140,395)</b>	(122,486)
<b>Gross profit</b>		<b>13,027</b>	21,464
Other revenue	3	<b>292</b>	315
Selling expenses		<b>(481)</b>	(403)
Administrative expenses		<b>(8,277)</b>	(10,880)
Profit from operations	4	<b>4,561</b>	10,496
Finance costs	5	<b>(1,914)</b>	(2,395)
Profit before taxation		<b>2,647</b>	8,101
Taxation	6	<b>(1,877)</b>	(3,621)
Profit for the period		<b>770</b>	4,480
<b>Other comprehensive income/(loss) for the period, net of tax</b>			
Item that may be subsequently reclassified to profit or loss:			
Exchange difference on translation of foreign operations		<b>3,331</b>	(1,645)
<b>Total comprehensive income for the period, net of tax</b>		<b>4,101</b>	2,835
<b>Profit for the period attributable to owners of the Company</b>		<b>770</b>	4,480
<b>Total comprehensive income attributable to owners of the Company</b>		<b>4,101</b>	2,835
<b>Earnings per share attributable to owners of the Company:</b>			
— Basic (HK cents per share)	8	<b>0.39</b>	2.24
— Diluted (HK cents per share)		<b>0.39</b>	2.24

**Condensed Consolidated Statement of Financial Position**  
*As at 30 September 2013*

	<i>Notes</i>	<b>30 September 2013 HK\$'000 (Unaudited)</b>	31 March 2013 HK\$'000 (Audited)
<b>Non-current assets</b>			
Prepaid lease payments		1,853	1,849
Prepayments on acquisition of property, plant and equipment		23,266	18,638
Property, plant and equipment		<u>76,340</u>	<u>77,612</u>
		<u>101,459</u>	<u>98,099</u>
<b>Current assets</b>			
Inventories		91,496	75,996
Trade and bills receivables	9	5,643	16,757
Prepayments, deposits and other receivables		24,315	25,926
Cash and cash equivalents		<u>34,732</u>	<u>37,472</u>
		<u>156,186</u>	<u>156,151</u>
<b>Less: Current liabilities</b>			
Trade payables	10	335	2,381
Receipt in advance		1	302
Accruals and other payables		2,905	3,419
Income tax payable		5,293	4,117
Bank borrowings		<u>56,594</u>	<u>55,615</u>
		<u>65,128</u>	<u>65,834</u>
<b>Net current assets</b>		<u>91,058</u>	<u>90,317</u>
<b>Total assets less current liabilities</b>		<u>192,517</u>	<u>188,416</u>
<b>Capital and reserves</b>			
Share capital	11	2,000	2,000
Reserves		<u>190,517</u>	<u>186,416</u>
<b>Total equity</b>		<u>192,517</u>	<u>188,416</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2013 have been prepared in accordance with the Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting”, other relevant Hong Kong Accounting Standards (“HKASs”), Interpretations and the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). These unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The accounting policies and method of computation used in the preparation of the unaudited condensed interim financial statements for the six months ended 30 September 2013 are consistent with those used in the annual report for the year ended 31 March 2013, except for the adoption of new or revised standards, amendments to standards and interpretation of HKFRSs which are effective for accounting periods commencing on or after 1 April 2013. The adoption of such new or revised standards, amendments to standards and interpretation does not have material impacts on the unaudited condensed interim financial statements for the six months ended 30 September 2013 and does not result in substantial changes to the Group’s accounting policies.

The measurement basis used in the preparation of the unaudited condensed consolidated interim financial statements is historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

### 2. OPERATING SEGMENT AND TURNOVER

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers for the purposes of allocating resources to segments and assessing their performance.

The Group currently operates in one business segment in the manufacture and sale of chemicals in the People’s Republic of China (the “PRC”). A single management team reports to the chief operating decision makers who comprehensively manages the entire business. Accordingly, the Group does not have separately reportable segments.

#### Turnover from major products

The Group’s turnover from its major products is as follows:

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2013</b>	2012
	<b>HK\$’000</b>	HK\$’000
	<b>(Unaudited)</b>	(Unaudited)
Turnover:		
Sale of phthalic anhydride	<b>140,398</b>	132,807
Sale of fumaric acid and other by-products of phthalic anhydride	<b>13,024</b>	11,143
	<b>153,422</b>	143,950

### Information about geographical areas

As all of the Group's turnover is derived from customers based in the PRC and all the Group's identifiable assets and liabilities are located in the PRC, no geographical segment information is presented in accordance with HKFRS 8 Operating Segments.

#### 3. OTHER REVENUE

	Six months ended 30 September	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Other revenue:		
Bank interest income	165	284
Sundry income	127	31
	<u>292</u>	<u>315</u>

#### 4. PROFIT FROM OPERATIONS

The Group's profit from operations is arrived at after charging:

	Six months ended 30 September	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Depreciation of owned property, plant and equipment	2,892	2,818
Amortisation of prepaid lease payments for land use right	28	28
Cost of inventories sold	140,239	121,933
	<u>143,159</u>	<u>124,779</u>

#### 5. FINANCE COSTS

	Six months ended 30 September	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings wholly repayable within one year	1,914	2,395
	<u>1,914</u>	<u>2,395</u>

#### 6. TAXATION

	Six months ended 30 September	
	2013	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax for the year — PRC enterprise income tax	1,877	3,621
	<u>1,877</u>	<u>3,621</u>

## 7. DIVIDEND

The Directors do not recommend the payments of any dividend for the six months ended 30 September 2013 (2012: Nil).

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share is based on the profit attributable to owners of the Company for each of the six months ended 30 September 2013 and 2012, and on the assumptions that the 200,000,000 ordinary shares with par value of HK\$0.01 each in issue as at the date of listing of the Company's shares on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") were outstanding throughout each of the six months ended 30 September 2013 and 2012.

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2013</b>	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
<i>Earnings</i>		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	<u>770</u>	<u>4,480</u>
<i>Number of shares</i>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<u>200,000,000</u>	<u>200,000,000</u>

Diluted earnings per share were same as the basic earnings per share as there were no potential dilutive ordinary shares in existence during each of the six months ended 30 September 2013 and 2012.

## 9. TRADE AND BILLS RECEIVABLES

	<b>30 September</b>	31 March
	<b>2013</b>	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Trade receivables	<b>3,033</b>	7,629
Bills receivable	<u>2,610</u>	<u>9,128</u>
	<u><b>5,643</b></u>	<u>16,757</u>

The carrying amounts of trade receivables are denominated in RMB. The credit policies of the Group highly depend on the industry and market environment. The Group generally receives payment on or before the delivery and may allow settlement of balance within 30 days to those long standing customers with good payment history. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An ageing analysis of trade receivables of the Group at the end of the reporting period, net of provision for impairment is as follows:

	<b>30 September 2013 HK\$'000 (Unaudited)</b>	31 March 2013 HK\$'000 (Audited)
Within 30 days	3,033	7,629
31–60 days	–	–
61–90 days	–	–
	<u>3,033</u>	<u>7,629</u>

## 10. TRADE PAYABLES

	<b>30 September 2013 HK\$'000 (Unaudited)</b>	31 March 2013 HK\$'000 (Audited)
Trade payables	<u>335</u>	<u>2,381</u>

An ageing analysis of trade payables of the Group as at the end of the reporting period as follows:

	<b>30 September 2013 HK\$'000 (Unaudited)</b>	31 March 2013 HK\$'000 (Audited)
Within 30 days	23	185
31–60 days	18	12
61–90 days	–	–
Over 90 days	<u>294</u>	<u>2,184</u>
	<u>335</u>	<u>2,381</u>

The trade payables are non-interest-bearing and are normally settled on or before the delivery and may allow to settle within 30 days.

## 11. SHARE CAPITAL

### Ordinary shares

	<b>Par value HK\$</b>	<b>Number of shares</b>	<b>Share capital HK\$</b>
<b>Authorised:</b>			
As at 31 March 2013 and 30 September 2013	0.01	<u>1,000,000,000</u>	<u>10,000,000</u>
<b>Issued and fully paid:</b>			
As at 31 March 2013 and 30 September 2013	0.01	<u>200,000,000</u>	<u>2,000,000</u>

## **BUSINESS REVIEW**

The Group is principally engaged in the production of two chemical products, namely phthalic anhydride (“PA”) and fumaric acid, which are intermediate chemicals mainly used in the industrial production of plasticisers and polyester resins. All of the Group’s turnover is derived from customers based in the PRC.

The Group’s production facilities are located in Xiamen, Fujian Province, the PRC. The Group operates under a simple business model with one major raw material, namely ortho-xylene (“OX”) sourcing from independent suppliers in the PRC for its production process. OX is used in the production facilities of PA to produce PA and certain by-products including maleic anhydride, which can be used to produce fumaric acid.

To improve its sales of PA, the Group put more effort into expanding customer base during the six months ended 30 September 2013. Accordingly, the Group’s turnover derived from selling PA increased from HK\$132,807,000 for the six months ended 30 September 2012 to HK\$140,398,000 for the six months ended 30 September 2013, as a result of the increase in quantity of PA sold despite lower average selling price caused by the weaker market demand on PA. Sales of fumaric acid and other by-products of PA also rose from HK\$11,143,000 for the six months ended 30 September 2012 to HK\$13,024,000 for the six months ended 30 September 2013 mainly due to the increase in average selling price for the tighter market supply of fumaric acid.

The Company is not aware of any important events significantly affecting the Group which have occurred from 24 July 2013 (being the publication date of the annual report of the Company for the financial year ended 31 March 2013) to the date of this announcement.

## **FINANCIAL REVIEW**

Turnover of the Group rose from HK\$143,950,000 for the six months ended 30 September 2012 to HK\$153,422,000 for the six months ended 30 September 2013, mainly attributable to the increases in quantity of PA and average price of fumaric acid sold.

Gross profit margin of the Group fell from 14.9% for the six months ended 30 September 2012 to 8.5% for the six months ended 30 September 2013 as the market price of OX which were mostly supplied by a few state-owned enterprises in the PRC always maintained at a level higher than that for the corresponding period of preceding year while the selling price of PA was suppressed due to the weak demand during the six months ended 30 September 2013.

Profit for the period decreased from HK\$4,480,000 for six months ended 30 September 2012 to HK\$770,000 for the six months ended 30 September 2013 mainly due to the drop of gross profit, outweighing the reductions of administrative expenses, finance costs and taxation. Administrative expenses of the Group decreased from HK\$10,880,000 for the six months ended 30 September 2012 to HK\$8,277,000 for the six months ended 30 September 2013 mainly no listing expenses were incurred by the Company for the six months ended 30 September 2013 after its shares were listed on the Stock Exchange on 2 April 2012. Finance



costs reduced from HK\$2,395,000 for six months ended 30 September 2012 to HK\$1,914,000 for the six months ended 30 September 2013 due to the lower interest rate charged on bank borrowings of the Group. Taxation, representing the enterprise income tax in the PRC, declined from HK\$3,621,000 for the six months ended 30 September 2012 to HK\$1,877,000 for the six months ended 30 September 2013 due to the decrease in taxable profit of the Company's operating subsidiary in the PRC.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The Group mainly relies upon internally generated cash flows and bank borrowings to finance its operations and expansion.

As at 30 September 2013, the Group's cash and cash equivalents amounted to HK\$34,732,000, including HK\$27,651,000 and HK\$7,081,000 denominated in Renminbi ("RMB") and HK\$ respectively and representing a decrease of HK\$2,740,000 as compared to HK\$37,472,000 at 31 March 2013. The net decrease in cash and cash equivalents was primarily due to the additional prepayments on acquisition of property, plant and equipment made during the six months ended 30 September 2013. The majority of the Group's cash and cash equivalents are deposited with creditworthy banks with no recent history of default. Cash at banks earns interest at floating rates based on daily bank deposit rates.

As at 30 September 2013, the Group's interest-bearing bank borrowings were HK\$56,594,000 (31 March 2013: HK\$55,615,000), all of which were denominated in RMB, secured by prepaid lease payments for land use rights, buildings, plant and machinery and furniture, fixtures and equipment of the Group and due within one year. The range of effective interest rate on bank borrowings for the six months ended 30 September 2013 was 6.60%–7.80% per annum (2012: 7.80%–8.53% per annum).

The main operations of the Group were in the PRC and most of the transactions were denominated in RMB. Foreign exchange risk arises from the foreign currency denominated of commercial transactions, assets and liabilities. The Group has no significant direct exposure to foreign currencies as most of the commercial transactions, assets and liabilities are denominated in a currency same as the functional currency of each entity of the Group. During the six months ended 30 September 2013, the Group had not used any financial instruments for hedging purposes. However, the Group will review and monitor the relevant foreign exchange exposure from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when appropriate.

As at 30 September 2013, the Group's gearing ratio remained at 0.22 (31 March 2013: 0.22), based on the division of the total debts (including only bank borrowings) by total assets. The Directors, having taken into account of the nature and scale of operations and capital structure of the Group, considered that the gearing ratio as at 30 September 2013 was reasonable.

The Group did not have any contingent liabilities as at 30 September 2013 (31 March 2013: Nil).

As at 30 September 2013, the Group had expenditure contracted for but not provided for in its financial statements in respect of acquisition of certain property, plant and equipment in the amount of approximately HK\$17,456,000 (31 March 2013: HK\$12,829,000).

## **REMUNERATION POLICIES AND SHARE OPTION SCHEME**

As at 30 September 2013, the Group had 91 employees (31 March 2013: 97 employees). The Group reviews remuneration and benefits of its employees regularly according to the relevant market practice and individual performance of the employees. The Group contributes the social insurance in the PRC and the mandatory provident fund scheme in Hong Kong for eligible employees, and also provides medical insurance, work-related personal injury insurance, maternity insurance and unemployment insurance in the PRC, in accordance with the relevant laws and regulations in the PRC. Total staff costs (including directors' remuneration) incurred by the Group in the six months ended 30 September 2013 were HK\$5,200,000 (2012: HK\$4,971,000). A share option scheme (the "Scheme") was adopted by the Company pursuant to a shareholder's resolution passed on 14 March 2012. No share option was granted to the relevant participants under the Scheme during the six months ended 30 September 2013.

## **OUTLOOK**

The Group aims at becoming a leading intermediate chemicals manufacturer in the PRC. Having considered the market potential and evaluated the Group's market position and competitive strengths, the Group intends to achieve its business objectives and further growth through expanding its production capacity to increase market penetration and broadening its market coverage and customer base. The Group is also exploring other business opportunities to diversify its product portfolio and strengthen its position in the industry.

## **USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING**

The net proceeds received by the Group from the initial public offering, after deducting underwriting commissions and other estimated expenses payable for the offering, amounting to approximately HK\$28,708,000 are to be used in the manner consistent with that mentioned in the section headed "Future plans and use of proceeds" of the prospectus of the Company dated 21 March 2012 (the "Prospectus"). As at 30 September 2013, approximately HK\$23,266,000 had been used by the Group in prepayments on the acquisition of property, plant and equipment in connection with the expansion and upgrading of the Group's production capacity. The unused balance of the Proceeds was deposited at the Group's bank accounts. In the event that the Directors decide to use the Proceeds in a manner different from that stated in the Prospectus, the Company will issue a further announcement in compliance with the Listing Rules.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has adopted the Corporate Governance Code ("the CG Code") contained in Appendix 14 to the Listing Rules as its corporate governance code of practices since the Listing Date. The Company has complied with the relevant code provisions set out in the CG Code during the six months ended 30 September 2013.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2013.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made with all Directors and the Directors have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 September 2013.

## **AUDIT COMMITTEE**

The audit committee of the Company (the "Audit Committee") consists of three members, all being independent non-executive Directors, namely Mr. Wong Kin Tak, Mr. Yan Wai Kiu and Mr. Choi Kin Cheong. Mr. Wong Kin Tak is currently the chairman of the Audit Committee. The Audit Committee has reviewed with the management, the unaudited interim results for the six months ended 30 September 2013 including the accounting principles and practices adopted by the Group.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.judaintl.com](http://www.judaintl.com)). The interim report of the Company for the six months ended 30 September 2013 containing all the information required by the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

For and on behalf of  
**Juda International Holdings Limited**  
**Choi Lim Chi**  
*Chairman*

Hong Kong, 5 November 2013

*As at the date of this announcement, the executive Directors of the Company are Mr. Choi Lim Chi, Mr. Chen Fan and Mr. Lee Lit Mo Johnny, and the independent non-executive Directors of the Company are Mr. Yan Wai Kiu, Mr. Wong Kin Tak and Mr. Choi Kin Cheong.*