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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)

DISCLOSEABLE TRANSACTIONS

CONSTRUCTION AGREEMENTS IN RELATION TO CONSTRUCTION OF PRODUCTION FACILITIES IN JIANGSU

The Board announces that WIS Precision and Ju Teng Electronic (Taizhou) entered into the Construction Agreement (A) and the Construction Agreement (B) with the Contractor on 10 November 2018 and 25 February 2019, respectively in relation to the construction of certain buildings and structures for their production facilities in Jiangsu Province, the PRC.

The Construction Agreement (A), on a standalone basis, does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Construction Agreement (B), on a standalone basis, constitutes a notifiable transaction under Chapter 14 of the Listing Rules since the applicable percentage ratio is more than 5% but less than 25%. The Construction Agreements are aggregated as a single transaction pursuant to Rule 14.23 of the Listing Rules as these agreements were entered into by the Group with the same party. Since the relevant percentage ratio in respect of the Construction Agreements on an aggregated basis is more than 5% but less than 25%, the transactions contemplated under the Construction Agreements constitute discloseable transactions under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that WIS Precision and Ju Teng Electronic (Taizhou) entered into the Construction Agreement (A) and the Construction Agreement (B) with the Contractor on 10 November 2018 and 25 February 2019, respectively in relation to the construction of certain buildings and structures for their production facilities in Jiangsu Province, the PRC.

THE CONSTRUCTION AGREEMENTS

Dates and parties

(1) Construction Agreement (A)

Date: 10 November 2018

Parties:

- (i) WIS Precision
- (ii) The Contractor

(2) Construction Agreement (B)

Date: 25 February 2019

Parties:

- (i) Ju Teng Electronic (Taizhou)
- (ii) The Contractor

The Directors confirmed that, to the best of their knowledge, information and belief, having made all reasonable enquiry, the Contractor and its ultimate beneficial owner(s) are third parties independent of the Group and its connected persons.

Principal terms of the Construction Agreements

The principal terms of each of the Construction Agreements are identical save for the consideration, payment schedule and subject matters of the Construction.

Under the Construction Agreement (A), the Contractor has agreed to construct two staff quarters buildings and dangerous goods stores, which shall form part of the production facilities of WIS Precision at 泰州市經濟開發區 (Taizhou City Economic Development Zone*) located in Jiangsu Province, the PRC. The Construction shall be commenced on 20 November 2018 and completed on 20 June 2019.

Under the Construction Agreement (B), the Contractor has agreed to construct several production facilities, dangerous goods stores, transition pool, underground precipitation pool, emergency pools and connecting corridors which shall form part of the production facilities of Ju Teng Electronic (Taizhou) at 泰州市醫藥開發區 (Taizhou City Pharmaceutical Development Zone*) located in Jiangsu Province, the PRC. The Construction shall be commenced on 25 February 2019 and completed on 12 November 2019.

The Construction shall be carried out by the Contractor in accordance with the design drawing to be provided by WIS Precision under the Construction Agreement (A) and Ju Teng Electronic (Taizhou) under the Construction Agreement (B).

The Contractor shall be responsible to repair the defect of the Construction (if any) during the Warranty Period, failing which WIS Precision or Ju Teng Electronic (Taizhou) (as the case may be) shall be entitled to engage other parties to repair the defect and deduct the expenses incurred from the Warranty Fund.

Consideration pursuant to the Construction Agreement (A)

The aggregate sum of consideration payable by WIS Precision for the Construction under the Construction Agreement (A) shall be RMB23,339,934.40 (equivalent to approximately HK\$26.33 million) which shall be payable to the Contractor by WIS Precision in cash in the following manner:

- (i) approximately RMB5.83 million (equivalent to approximately HK\$6.58 million), being 25% of the consideration, shall be payable upon signing of the Construction Agreement (A);
- (ii) approximately RMB4.67 million (equivalent to approximately HK\$5.27 million), being 20% of the consideration, shall be payable after laying of the foundation of the Construction under the Construction Agreement (A);
- (iii) approximately RMB4.67 million (equivalent to approximately HK\$5.27 million), being 20% of the consideration, shall be payable after completion of construction of respective frameworks of the Construction under the Construction Agreement (A);
- (iv) approximately RMB4.67 million (equivalent to approximately HK\$5.26 million), being 20% of the consideration, shall be payable after WIS Precision's confirmation of acceptance of completion of the major parts of the Construction under the Construction Agreement (A);
- (v) approximately RMB2.80 million (equivalent to approximately HK\$3.16 million), being 12% of the consideration, shall be payable after WIS Precision's confirmation of acceptance of completion of the entire Construction under the Construction Agreement (A); and
- (vi) approximately RMB0.70 million (equivalent to approximately HK\$0.79 million), being 3% of the consideration (i.e. the Warranty Fund) (or the balance thereof), shall be payable within one year after the date of WIS Precision's acceptance of completion of the Construction under the Construction Agreement (A).

Consideration pursuant to the Construction Agreement (B)

The aggregate sum of consideration payable by Ju Teng Electronic (Taizhou) for the Construction under the Construction Agreement (B) shall be RMB120,130,388 (equivalent to approximately HK\$141 million) which shall be payable to the Contractor by Ju Teng Electronic (Taizhou) in cash in the following manner:

- (i) approximately RMB30.03 million (equivalent to approximately HK\$35.25 million), being 25% of the consideration, shall be payable upon signing of the Construction Agreement (B);
- (ii) approximately RMB24.03 million (equivalent to approximately HK\$28.20 million), being 20% of the consideration, shall be payable after laying of the foundation of the Construction under the Construction Agreement (B);
- (iii) approximately RMB24.03 million (equivalent to approximately HK\$28.20 million), being 20% of the consideration, shall be payable after completion of construction of respective frameworks of the Construction under the Construction Agreement (B);
- (iv) approximately RMB24.03 million (equivalent to approximately HK\$28.20 million), being 20% of the consideration, shall be payable after Ju Teng Electronic (Taizhou)'s confirmation of acceptance of completion of the major parts of the Construction under the Construction Agreement (B);
- (v) approximately RMB14.42 million (equivalent to approximately HK\$16.92 million), being 12% of the consideration, shall be payable after Ju Teng Electronic (Taizhou)'s confirmation of acceptance of completion of the entire Construction under the Construction Agreement (B); and
- (vi) approximately RMB3.60 million (equivalent to approximately HK\$4.23 million), being 3% of the consideration (i.e. the Warranty Fund) (or the balance thereof), shall be payable within one year after the date of Ju Teng Electronic (Taizhou)'s acceptance of completion of the Construction under the Construction Agreement (B).

The respective consideration under each of the Construction Agreements was determined based on arm's length negotiation between the parties with reference to the proposed design and standard of the respective Construction under each of the Construction Agreements.

Each of the Construction Agreements is independent and their respective signing and execution are not inter-conditional upon the other Construction Agreement.

INFORMATION ON THE PARTIES

The Group is principally engaged in the business of manufacture and sale of casings for notebook computer and handheld devices.

The Contractor is a limited company in the PRC principally engaged in building construction.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENTS

It is the Group's strategy to expand its production in products with higher profit margin which includes metal casings. The Group requires construction of production facilities in order to place its equipment and employees for the production of metal casings in the Group's production plants in the PRC which is in line with the Group's strategy and business need. As such, the Board considers that the entering into of the Construction Agreements is beneficial to the Group as it could facilitate the construction of its production facilities.

The Directors (including the independent non-executive Directors) believe that the respective terms of each of the Construction Agreements are fair and reasonable and are in the interests of the Group and Shareholders as a whole.

LISTING RULES IMPLICATION

The Construction Agreement (A), on a standalone basis, does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Construction Agreement (B), on a standalone basis, constitutes a notifiable transaction under Chapter 14 of the Listing Rules since the applicable percentage ratio is more than 5% but less than 25%. The Construction Agreements are aggregated as a single transaction pursuant to Rule 14.23 of the Listing Rules as these agreements were entered into by the Group with the same party. Since the relevant percentage ratio in respect of the Construction Agreements on an aggregated basis is more than 5% but less than 25%, the transactions contemplated under the Construction Agreements constitute discloseable transactions under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Company”	Ju Teng International Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Construction”	the construction of certain buildings and structures pursuant to the Construction Agreements

“Construction Agreement (A)”	a construction agreement (and the ancillary documents pursuant thereto) entered into between WIS Precision and the Contractor on 10 November 2018
“Construction Agreement (B)”	a construction agreement (and the ancillary documents pursuant thereto) entered into between Ju Teng Electronic (Taizhou) and the Contractor on 25 February 2019
“Construction Agreements”	collectively, the Construction Agreement (A) and the Construction Agreement (B)
“Contractor”	蘇州偉業集團建設發展有限公司 (Suzhou Weiye Group Construction Development Co., Ltd.*)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Ju Teng Electronic (Taizhou)”	巨騰電子科技(泰州)有限公司 (Ju Teng Electronic Technology (Taizhou) Co., Ltd.), an indirect wholly owned subsidiary of the Company established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warranty Fund”	3% of the respective construction fee for the Construction under each of the Construction Agreements
“Warranty Period”	a period ranging from two years to five years, depending on the parts of the production facilities, starting from the completion of the construction of the relevant part of the Construction, during which the Contractor shall repair the defect of the Construction (if any) at the expense of the Contractor

“WIS Precision” 緯立資訊配件(泰州)有限公司 (WIS Precision (Taizhou) Co., Ltd.), an indirect non-wholly owned subsidiary of the Company established in the PRC

“%” per cent.

* *the English translation of the Chinese name is for information purposes only, and should not be regarded as the official English translation of such name.*

For the purpose of this announcement, the exchange rates of RMB1.00 = HK\$1.128 and RMB1.00 = HK\$1.1737 have been used for currency conversions for Construction Agreement (A) and Construction Agreement (B) respectively. This is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ and RMB have been, could have been or may be converted at such rate or any other exchange rate.

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

Hong Kong, 26 February 2019

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, and the independent non-executive Directors are Mr. Cherng Chia-Jiun, Mr. Tsai Wen-Yu and Mr. Yip Wai Ming.