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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 TRANSACTION

**TRANSFER AGREEMENT IN RELATION TO THE ACQUISITION OF
LAND USE RIGHT OVER A SPECIFIED LOT OF THE LAND**

THE DONGXU TRANSFER AGREEMENT

On 16 November 2023, Dongxu Vietnam, an indirect, non-wholly-owned subsidiary of the Company, and HTDC entered into the Dongxu Transfer Agreement for the acquisition of the land use right in relation to Returned Lot B3 with consideration as set out in the section headed “Consideration and payment terms” below.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.23 of the Listing Rules, the transaction contemplated under the Transfer Agreement (as amended by the Supplemental Agreement and taking into account the Infrastructure Usage Fee Compensation Agreement) shall be aggregated with that under the Dongxu Transfer Agreement since they were all entered into by the Group with the same party in relation to the acquisition of land use rights over the Land.

As the highest relevant percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Transfer Agreement (as supplemented by the Supplemental Agreement and taking into account the Infrastructure Usage Fee Compensation) and the Dongxu Transfer Agreement calculated based on the value of the right-of-use asset recognised by the Group according to HKFRS16 exceeds 5% but is less than 25%, the transactions contemplated under the Transfer Agreement (as supplemented by the Supplemental Agreement and taking into account the Infrastructure Usage Fee Compensation) and Dongxu Transfer Agreement therefore constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

Reference is made to the announcements of the Company dated 30 December 2021, 26 January 2022, 24 June 2022, 25 September 2023, 3 November 2023 and 10 November 2023 (the “**Announcement**”) regarding, among others, the acquisition of land use rights of the Land and return of the Returned Lots. Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the otherwise defined.

The Board wishes to announce that on 16 November 2023, Dongxu Vietnam, an indirect, non-wholly-owned subsidiary of the Company, and HTDC entered into the Dongxu Transfer Agreement for the acquisition of the land use right in relation to Returned Lot B3 for a term commencing from the date of the Dongxu Transfer Agreement until 26 February 2071 at a maximum consideration of approximately USD1,388,000 (excluding value-added tax), equivalent to approximately VND33,999,060,000 or approximately HK\$10,840,000.

MAJOR TERMS OF THE DONGXU TRANSFER AGREEMENT

Date

16 November 2023

Parties

- (i) HTDC, as the transferor; and
- (ii) Dongxu Vietnam, as transferee.

Subject matter

As disclosed in the Announcement, Ju Teng Vietnam entered into the Supplemental Agreement to return the Returned Lots to HTDC. Returned Lot B3 constitutes one of the Returned Lots under the Supplemental Agreement, and is a lot of industrial land with a site area of approximately 3.62 hectares that is intended to house a production plant for manufacturing certain ancillary components of electronic products.

Consideration and payment terms

The maximum consideration of approximately USD1,388,000 (equivalent to approximately VND33,999,060,000 or approximately HK\$10,840,000) comprises the following:

1. Land rent of approximately USD1,600 (equivalent to approximately VND39,192,000 or approximately HK\$12,000) per year payable by the Group from the date of the Dongxu Transfer Agreement up to 15 July 2026, after which the land rent shall be determined by the People's Committee of Nghe An Province. Such land rent was calculated based on the unit price of approximately USD0.0438/m² (equivalent to approximately VND1,073/m² or approximately HK\$0.3421/m²), taking the unit price stipulated by the land use right certificate issued by the People's Committee of Nghe An Province less certain land rent concessions under the applicable Vietnamese laws. The total land rent payable by the Group over the term of the Dongxu Transfer Agreement shall not exceed the total amount of approximately USD339,000 (equivalent to approximately VND8,303,805,000 or approximately HK\$2,648,000); and
2. Infrastructure usage fee in the aggregate amount of approximately USD1,049,000 (equivalent to approximately VND25,695,255,000 or approximately HK\$8,193,000). The infrastructure usage fee was calculated based on the price of USD29/m² (equivalent to approximately VND710,000/m² or approximately HK\$226/m²) which was quoted in USD in the Dongxu Transfer Agreement and converted into VND at the rate of VND24,495 = USD1. The amount of infrastructure usage fee payable was arrived at after arms' length negotiation between HTDC and the Company with reference to the market price.

The land rent was negotiated in and shall be paid in VND, whereas the infrastructure usage fee was negotiated in USD but shall be paid in VND. The exchange rate shall be calculated based on the average exchange rate of USD to VND quoted by the Joint Stock Commercial Bank for Investment and Development of Vietnam for the five days immediately before the actual payment dates. The total consideration payable by the Group may be adjusted according to the actual area of Returned Lot B3 as stated in the land use right certificate to be issued by the relevant government authority.

The Group shall pay the consideration according to payment schedule as follows:

1. Land rent shall be paid yearly, with the land rent for 2023 to be paid by the Group within 20 business days of signing of the Dongxu Transfer Agreement and thereafter, land rent shall be paid on 25 January (or the next business day if 25 January is a public holiday) each year;
2. A sum of approximately USD633,000, equivalent to approximately VND15,505,335,000 or approximately HK\$4,944,000 shall be payable within 20 business days of signing the Dongxu Transfer Agreement, representing (1) 70% of the total infrastructure usage fee (in the amount of approximately USD734,000, equivalent to approximately VND17,979,330,000 or approximately HK\$5,733,000), less (2) the sum of a deposit of approximately USD101,000 (equivalent to approximately VND2,473,995,000 or approximately HK\$789,000) previously paid by the Group; and
3. 30% of the total infrastructure usage fee (in the amount of approximately USD315,000, equivalent to approximately VND7,715,925,000 or approximately HK\$2,460,000) shall be payable within 20 business days after HTDC has delivered the land use right certificate to Dongxu Vietnam.

The consideration will be financed by the internal resources of the Group.

REASONS FOR ENTERING INTO THE DONGXU TRANSFER AGREEMENT

As disclosed in the Announcement, Ju Teng Vietnam entered into the Supplemental Agreement to return the Returned Lots to HTDC. At the same time, the Group also intends to lay the foundations for the manufacturing facilities of the ancillary products to the Group's end products in Vietnam. In order to better compartmentalize the production lines and delineate the different products manufactured by the Group in Vietnam, the Group, through Dongxu Vietnam, decided to enter into the Dongxu Transfer Agreement to acquire the land use rights over Returned Lot B3. Returned Lot B3 shall eventually house the production plant for manufacturing ancillary components of electronic products for use in the Group's internal downstream production (as opposed to the main components of electronic products such as notebook computer casings and automotive parts that Ju Teng Vietnam shall be responsible for).

The Directors (including the independent non-executive Directors) are of the opinion that the Dongxu Transfer Agreement is in line with the Group's strategic development plans in Vietnam and that the terms of the Dongxu Transfer Agreement are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE PARTIES

The Company is an investment holding company, and the Group is principally engaged in the manufacture and sale of casings for notebook computer and handheld devices.

HTDC is principally engaged in real estate activities and its ultimate beneficial owner is Hoàng Văn Duống, who is interested in approximately 77.96% of the equity interest of HTDC.

The Directors confirmed that, to the best of their knowledge, information and belief, having made all reasonable enquiries, HTDC and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

Under the Dongxu Transfer Agreement, the value of the right-of-use asset recognized by the Group in relation to Returned Lot B3 is approximately USD1,072,000, equivalent to approximately VND26,258,640,000 or approximately HK\$8,372,000.

Pursuant to Rule 14.23 of the Listing Rules, the transaction contemplated under the Transfer Agreement (as amended by the Supplemental Agreement and taking into account the Infrastructure Usage Fee Compensation Agreement) shall be aggregated with that under the Dongxu Transfer Agreement since they were all entered into by the Group with the same party in relation to the acquisition of land use rights over the Land.

As the highest relevant percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Dongxu Transfer Agreement aggregated with the Transfer Agreement (as supplemented by the Supplemental Agreement and taking into account the Infrastructure Usage Fee Compensation) calculated based on the value of the right-of-use asset recognised by the Group according to HKFRS16 exceeds 5% but is less than 25%, the transactions contemplated under the Transfer Agreement (as supplemented by the Supplemental Agreement and taking into account the Infrastructure Usage Fee Compensation) and Dongxu Transfer Agreement therefore constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Dongxu Transfer Agreement”	the agreement entered into between Dongxu Vietnam and HTDC in relation to the acquisition of land use right over Returned Lot B3
“Dongxu Vietnam”	Dongxu Juteng Electronic Material (Vietnam) Limited, an indirect, non-wholly-owned subsidiary of the Company
“Returned Lot B3”	one of the Returned Lots whose land use right shall be acquired by Dongxu Vietnam under the Dongxu Transfer Agreement

In this announcement, amounts quoted in USD have been converted into HK\$ at the rate of USD7.81 = HK\$1.00, and amounts quoted in VND have been converted into USD at the rate of VND24,495 = USD1.00. Such exchange rate has been used, where applicable, for purpose of illustration only and does not constitute representation that any amounts were or may have been exchanged at such rate or any other rates.

By order of the Board
Ju Teng International Holdings Limited
Cheng Li-Yu
Chairman and Chief Executive Officer

Hong Kong, 16 November 2023

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. Tsai Wen-Yu, Mr. Yip Wai Ming and Mr. Yuen Chi Ho.