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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)**

## **CONTINUING CONNECTED TRANSACTIONS**

### **EXTENSION OF MASTER SALES AGREEMENTS**

Reference is made to the announcements of the Company dated 2 February 2009, 25 November 2011, 16 December 2014, 31 December 2014, 27 December 2017 and 17 December 2020 in relation to the Existing Compal Master Sales Agreements and/or (as the case may be) the Existing Wistron Master Sales Agreements. Reference is also made to (1) the announcement of the Company dated 12 November 2021 in relation to the increase of annual caps for each of the three years ended 31 December 2023 for the continuing connected transactions under the Existing Compal Master Sales Agreements; and (2) the announcement of the Company dated 20 December 2021 in relation to the increase of annual caps for the year ended 31 December 2021 for the continuing connected transactions under the Existing Compal Master Sales Agreements and the Existing Wistron Master Sales Agreements.

Pursuant to the Existing Compal Master Sales Agreements and the Existing Wistron Master Sales Agreements, the Group has been selling the Products to the Compal Group and the Wistron Group on an on-going basis. The Existing Compal Master Sales Agreements and the Existing Wistron Master Sales Agreements will expire on 31 December 2023.

To ensure continual supply of the Products by the Group to the Compal Group and the Wistron Group after the expiry of the terms of the Existing Compal Master Sales Agreements and the Existing Wistron Master Sales Agreements, respectively, the Group has entered into the Compal Master Sales Renewal Agreement and the Wistron Master Sales Renewal Agreement on 27 December 2023.

As at the date of this announcement, (i) as Compal is a substantial shareholder of Wah Yuen Technology Holding Limited, a non-wholly owned subsidiary of the Company, Compal is a connected person of the Company at the subsidiary level, the sales under the Compal Master Sales Renewal Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules; and (ii) as Wistron is a substantial shareholder of Mindforce Holdings Limited, a non-wholly owned subsidiary of the Company, Wistron is a connected person of the Company at the subsidiary level, the sales under the Wistron Master Sales Renewal Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, as (i) each of Compal and Wistron is a connected person of the Company at the subsidiary level; (ii) the Transactions are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) has approved the Transactions and confirmed that the Transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Transactions are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **EXTENSION OF EXISTING COMPAL MASTER SALES AGREEMENTS**

### ***Background***

Reference is made to the announcements of the Company dated 2 February 2009, 25 November 2011, 31 December 2014, 27 December 2017 and 17 December 2020 in relation to, among others, the Existing Compal Master Sales Agreements. Reference is also made to (1) the announcement of the Company dated 12 November 2021 in relation to the increase of annual caps for each of the three years ended 31 December 2023 for the continuing connected transactions under the Existing Compal Master Sales Agreements; and (2) the announcement of the Company dated 20 December 2021 in relation to the increase of annual caps for the year ended 31 December 2021 for the continuing connected transactions under the Existing Compal Master Sales Agreements and the Existing Wistron Master Sales Agreements.

Pursuant to the Existing Compal Master Sales Agreements, the Group has been selling the Products to the Compal Group on an on-going basis. The Existing Compal Master Sales Agreements will expire on 31 December 2023.

It is expected that the continuing connected transactions under the Existing Compal Master Sales Agreements shall continue after the expiry of the Existing Compal Master Sales Agreements on 31 December 2023. Therefore, on 27 December 2023, Giant Glory (for itself and on behalf of the members of the Group) entered into the Compal Master Sales Renewal Agreement with Compal (for itself and on behalf of the other members of the Compal Group) to ensure continual supply of the Products by the Group to the Compal Group after the expiry of the terms of the Existing Compal Master Sales Agreements.

### ***Principal terms of the Compal Master Sales Renewal Agreement***

Pursuant to the Compal Master Sales Renewal Agreement, the Group agreed to sell the Products to Compal or other members of the Compal Group at prices to be determined from time to time by the Group and Compal (for itself and on behalf of the other members of the Compal Group) with reference to the market prices and on such terms that are no more favourable than those applicable to the sales of the Products by the Group to purchasers which are Independent Third Party(ies) (the "**Independent Purchasers**").

The Products are principal parts and components of casings for notebook computers and handheld devices which are manufactured in accordance with the specifications of the Products as required by Compal Group using the metallic stamping moulds and plastic injection moulds solely owned by the Group.

Due to the uniqueness of the Products, the Products are only manufactured upon the order made by the Compal Group. In order to assess whether the sale price of the Products under the Compal Master Sales Renewal Agreement is fair and reasonable and no less favourable than that between the Group and Independent Purchasers, before selling any Products to the Compal Group pursuant to the Compal Master Sales Renewal Agreement, the Group would take into account the expected profit margin in such transaction as compared with other transactions between the Group and other Independent Purchasers for purchase of other similar products of the Group. In any event, the profit margin of the transaction under the Compal Master Sales Renewal Agreement should be no less favourable than those applicable to the sales of other similar products by the Group to the Independent Purchasers. The Directors (including the independent non-executive Directors) consider that such measure can ensure that the transactions contemplated under the Compal Master Sales Renewal Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company and the Shareholders as a whole.

The price of the Products shall be payable by the Compal Group to the Group in arrears ranging from 45 to 120 days' credit period by transferring to the Group's bank account. The Compal Master Sales Renewal Agreement is for a period from 1 January 2024 to 31 December 2026 (both dates inclusive) unless terminated earlier by 30 days' written notice according to the terms and conditions of the Compal Master Sales Renewal Agreement.

### ***Existing annual caps and annual caps for the three years ending 31 December 2026***

For each of the three years ended 31 December 2023, the annual caps for the Existing Compal Master Sales Agreements were HK\$2,886 million, HK\$3,276 million and HK\$3,744 million, respectively. The Directors expect that the annual caps of sale of the Products by the Group to the Compal Group for each of the three years ending 31 December 2026 will be HK\$1,950 million, HK\$2,180 million and HK\$2,340 million, respectively.

The proposed annual caps for each of the three years ending 31 December 2026 are determined by the Company based mainly on the following major factors:

1. the amount of actual sales of the Products by the Group to the Compal Group for each of the two years ended 31 December 2022 and the ten months ended 31 October 2023, of approximately HK\$2,858 million, HK\$1,934 million and HK\$1,425 million, respectively;
2. existing purchase orders on hand and orders under negotiation with the Compal Group; and
3. expected production output of the Compal Group in the coming three years based on the forecasts published by third-party industry analysts regarding the notebook computer and handheld devices industries.

### ***Reasons for the transactions***

The Compal Group is a well-known original design manufacturer and involved in large scale production of notebook computer and handheld devices. Therefore, the Transactions can enhance the business and reputation of the Group. On the above basis, the Directors consider that the Group will benefit from the continuing connected transactions under the Compal Master Sales Renewal Agreement for meeting the demand from the Group's clients.

The Directors (including the independent non-executive Directors) considered the Compal Master Sales Renewal Agreement and the related annual caps are on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **EXTENSION OF EXISTING WISTRON MASTER SALES AGREEMENTS**

### ***Background***

Reference is made to the announcements of the Company dated 2 February 2009, 25 November 2011, 16 December 2014, 27 December 2017, 17 December 2020 and 20 December 2021 in relation to, among others, the Existing Wistron Master Sales Agreements.

Pursuant to the Existing Wistron Master Sales Agreements, the Group has been selling the Products to the Wistron Group on an on-going basis. The Existing Wistron Master Sales Agreements will expire on 31 December 2023.

It is expected that the continuing connected transactions under the Existing Wistron Master Sales Agreements shall continue after the expiry of the Existing Wistron Master Sales Agreements on 31 December 2023. Therefore, on 27 December 2023, Giant Glory (for itself and on behalf of the other members of the Group) entered into the Wistron Master Sales Renewal Agreement with Wistron (for itself and on behalf of other members of the Wistron Group) to ensure continual supply of the Products by the Group to the Wistron Group after the expiry of the terms of the Existing Wistron Master Sales Agreements.

### ***Principal terms of the Wistron Master Sales Renewal Agreement***

Pursuant to the Wistron Master Sales Renewal Agreement, the Group agreed to sell the Products to the Wistron Group at prices to be determined from time to time by the parties with reference to the market prices and on normal and usual commercial terms that are no more favourable than those applicable to the sales of the Products by the Group to Independent Third Party(ies).

The Products sold by the Group to Wistron and other members of the Wistron Group are principal parts and components of casings for notebook computer and handheld devices which are manufactured by using the metallic stamping moulds and plastic injection moulds solely owned by the Group.

Due to the uniqueness of the Products, the Products are only manufactured upon the order made by the Wistron Group. In order to assess whether the sale price of the Products under the Wistron Master Sales Renewal Agreement is fair and reasonable and no less favourable than that between the Group and Independent Purchasers, before selling any Products to the Wistron Group pursuant to the Wistron Master Sales Renewal Agreement, the Group would take into account of the expected profit margin in such transaction as compared with other transactions between the Group and other Independent Purchasers for purchase of other similar products of the Group. In any event, the profit margin of the transaction under the Wistron Master Sales Renewal Agreement should be no less favourable than those applicable to the sales of other similar products by the Group to the Independent Purchasers. The Directors (including the independent non-executive Directors) consider that such measure can ensure that the transactions contemplated under the Wistron Master Sales Renewal Agreement will be conducted on normal commercial terms and not prejudicial to the interest of the Company and the Shareholders as a whole.

The price of the Products shall be payable by the Wistron Group to the Group in arrears ranging from 90 to 120 days' credit period by transferring to the Group's bank account. The Wistron Master Sales Renewal Agreement is for a period from 1 January 2024 to 31 December 2026 (both dates inclusive) unless terminated earlier by 30 days' written notice according to the terms and conditions of the Wistron Master Sales Renewal Agreement.

### ***Existing annual caps and annual caps for the three years ending 31 December 2026***

For each of the three years ending 31 December 2023, the annual caps for the Existing Wistron Master Sales Agreements were HK\$959 million, HK\$1,092 million and HK\$1,248 million, respectively. The Directors expect that the annual caps of sale of the Products by the Group to the Wistron Group for each of the three years ending 31 December 2026 will be HK\$860 million, HK\$980 million and HK\$1,050 million, respectively.

The proposed annual caps for each of the three years ending 31 December 2026 are determined by the Company based on mainly the following major factors:

1. the amount of actual sales of the Products by the Group to the Wistron Group for each of the two years ended 31 December 2022 and the ten months ended 31 October 2023, of approximately HK\$940 million, HK\$697 million and HK\$672 million, respectively;
2. existing purchase orders on hand and orders under negotiation with the Wistron Group; and
3. expected production output of the Wistron Group in the coming three years based on the forecasts published by third-party industry analysts regarding the notebook computer and handheld devices industries.

### ***Reasons for the transactions***

The Wistron Group is a well-known original design manufacturer and involved in large scale production of notebook computer and handheld devices, therefore, the Transactions can enhance the business and reputation of the Group. On the above basis, the Directors consider that the Group will benefit from the continuing connected transactions under the Wistron Master Sales Renewal Agreement for meeting the demand from the Group's clients.

The Directors (including the independent non-executive Directors) considered the Wistron Master Sales Renewal Agreement and the related annual caps are on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE GROUP, THE COMPAL GROUP AND THE WISTRON GROUP**

The Group has been principally engaged in the manufacturing and sale of casings for notebook computers and handheld devices. Giant Glory is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The Compal Group is principally engaged in the design and manufacturing of products of information and communication technology and the provision of related services. Compal is a company incorporated in Taiwan and listed on the Taiwan Stock Exchange Corporation (stock code: 2324.TT). The Directors confirmed that, to the best of their knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner(s) of Compal are third parties independent of the Group.

The Wistron Group is principally engaged in the design and manufacturing of products of information and communication technology and the provision of related services. Wistron is a company incorporated in Taiwan and listed on the Taiwan Stock Exchange Corporation (stock code: 3231.TT). The Directors confirmed that, to the best of their knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner(s) of Wistron are third parties independent of the Group.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, as Compal is a substantial shareholder of Wah Yuen Technology Holding Limited, a non-wholly owned subsidiary of the Company, Compal is a connected person of the Company at the subsidiary level, the sales under the Compal Master Sales Renewal Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, as Wistron is a substantial shareholder of Mindforce Holdings Limited, a non-wholly owned subsidiary of the Company, Wistron is a connected person of the Company at the subsidiary level, the sales under the Wistron Master Sales Renewal Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, as (i) each of Compal and Wistron is a connected person of the Company at the subsidiary level; (ii) the Transactions are on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) have approved the transactions and confirmed that the Transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Transactions are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors have a material interest in the Transactions.

## **DEFINITIONS**

“Board”	the board of Directors
“Compal”	Compal Electronics, Inc., a company incorporated under the laws of Taiwan and a substantial shareholder of Wah Yuen Technology Holding Limited, an indirect non-wholly owned subsidiary of the Company
“Compal Group”	collectively, Compal and its subsidiaries from time to time

“Compal Master Sales Renewal Agreement”	the renewal agreement for the Existing Compal Master Sales Agreements signed on 27 December 2023 (which shall be effective on 1 January 2024) and entered into between Giant Glory (for itself and on behalf of other members of the Group) and Compal (for itself and on behalf of other members of the Compal Group) in relation to the sales of the Products by the Group to the Compal Group for the term commencing from 1 January 2024 and ending 31 December 2026 (both dates inclusive)
“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 Stock Exchange
“Director(s)”	the directors of the Company
“Existing Compal Master Sales Agreements”	the master sales agreement dated 1 January 2009 and entered into between Giant Glory (for itself and on behalf of other members of the Group) and Compal and three of its subsidiaries (for themselves and on behalf of other members of the Compal Group) in relation to the sales of the Products by the Group to the Compal Group (as renewed by four renewal agreements entered into between Giant Glory and members of the Compal Group (i) on 15 November 2011 for the term commenced from 1 January 2012 and ended 31 December 2014 (both dates inclusive); (ii) on 31 December 2014 for the term commenced from 1 January 2015 and ended 31 December 2017 (both dates inclusive); (iii) on 27 December 2017 for the term commenced from 1 January 2018 and ending 31 December 2020 (both dates inclusive); and (iv) on 17 December 2020 for the term commenced from 1 January 2021 and ending 31 December 2023 (both dates inclusive, respectively))

“Existing Wistron Master Sales Agreements”	the master sales agreement signed on 23 January 2009 (dated as of 31 December 2008) and entered into between Giant Glory (for itself and on behalf of other members of the Group) and Wistron (for itself and on behalf of other members of the Wistron Group) in relation to the sales of the Products by the Group to the Wistron Group for the term commencing from 1 January 2009 and ending 31 December 2011 (as renewed by four renewal agreements entered into between the same parties (i) on 31 October 2011 for the term commenced from 1 January 2012 and ended 31 December 2014 (both dates inclusive) ; (ii) on 16 December 2014 for the term commenced from 1 January 2015 and ended 31 December 2017 (both dates inclusive); (iii) on 27 December 2017 for the term commenced from 1 January 2018 and ending 31 December 2020 (both dates inclusive); and (iv) on 17 December 2020 for the term commenced from 1 January 2021 and ending 31 December 2023 (both dates inclusive, respectively))
“Giant Glory”	Giant Glory International Limited, a company incorporated under the laws of Samoa and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	independent third party or parties and its/their ultimate beneficial owner(s) who is/are independent to the Company and is/are not the connected persons (as defined under the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Products”	casings for electronic products and related materials manufactured and/or supplied by the Group
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	collectively, the continuing connected transactions contemplated under each of the Compal Master Sales Renewal Agreement and the Wistron Master Sales Renewal Agreement



“Wistron”	Wistron Corporation, a company incorporated in Taiwan and a substantial shareholder of Mindforce Holdings Limited, an indirect non-wholly owned subsidiary of the Company
“Wistron Group”	collectively, Wistron and its subsidiaries from time to time
“Wistron Master Sales Renewal Agreement”	the renewal agreement for the Existing Wistron Master Sales Agreements signed on 27 December 2023 (which shall be effective on 1 January 2024) and entered into between Giant Glory (for itself and on behalf of other members of the Group) and Wistron (for itself and on behalf of other members of the Wistron Group) in relation to the sales of the Products by the Group to the Wistron Group for the term commencing from 1 January 2024 and ending 31 December 2026 (both dates inclusive)
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“%”	per cent

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

Hong Kong, 27 December 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.*