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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)

Financial Adviser



SinoPac Securities (Asia) Limited

CONTINUING CONNECTED TRANSACTIONS

Wistron Group is one of the Group's customers and the Group has been selling the Products to Wistron Group since 2004. In August 2005, the Group entered into a master procurement contract with Wistron. For the financial years ended 31 December 2004 and 31 December 2005, and the two months ended 28 February 2006, the sales by the Group to Wistron Group amounted to approximately HK\$0.3 million, HK\$227.8 million and HK\$61.2 million respectively. The sales by the Group to Wistron Group were on normal commercial terms and no more favourable than those available to Independent Third Party.

On 23 January 2006, the Group acquired 70% interest in the share capital of Mindforce from an Independent Third Party and immediately after the completion of the Acquisition, Mindforce became a non-wholly owned subsidiary of the Company and owned as to 70% by the Group and 30% by Wistron. Wistron therefore became a substantial shareholder of the Company's subsidiary and therefore, a connected person of the Company under the Listing Rules.

As a result of the Acquisition, the selling of Products to Wistron Group by the Group constituted connected transactions for the Company under the Listing Rules. For the period from the completion of the Acquisition as at 23 January 2006 to 28 February 2006, the sales by the Group to Wistron Group was approximately HK\$34.4 million.

As the Continuing Connected Transactions form part of the usual and ordinary course of business of the Group, the Directors expected that the sales to Wistron Group would continue and the Group therefore entered into the conditional Master Sales Agreement with Wistron (for itself and on behalf of the other members of the Wistron Group) for a period from 27 March 2006 to 31 December 2008 which superseded and replaced the abovementioned master procurement contract. The master procurement contract was terminated upon signing of the Master Sales Agreement. The terms of the Master Sales Agreement were arrived at after arm's length negotiation between the Group and Wistron and are fair and reasonable so far as the Group and the Shareholders are concerned.

Since Wistron has become a connected person as defined under Listing Rules upon completion of the Acquisition and the continuing transactions under the aforementioned master procurement contract

entered into between the Group and Wistron on 15 August 2005 have become Continuing Connected Transactions as defined under the Listing Rules. In addition, the Group entered into the conditional Master Sales Agreement with Wistron (for itself and on behalf of the other members of Wistron Group) to replace the aforementioned master procurement contract. The Continuing Connected Transactions under the Master Sales Agreement are subject to the applicable reporting, disclosure and independent Shareholders' approval requirements pursuant to Rule 14A.41 of the Listing Rules.

Since the annual caps for the consideration receivable by the Group under the Master Sales Agreement for the period from 27 March 2006 to 31 December 2006 is HK\$585 million and for the financial years ending 31 December 2007 and 31 December 2008 are HK\$780 million and HK\$1,170 million, respectively, resulting in the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules (other than the profits test ratio) being more than 2.5%, the Continuing Connected Transactions under the Master Sales Agreement constitute non-exempt continuing connected transactions of the Company and such transactions and the annual caps are subject to the disclosure, reporting and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular including, among other information, (1) a letter from the Board containing further details of the Master Sales Agreement and the respective caps relating thereto; (2) a letter from an independent financial adviser containing its advice in connection with the Continuing Connected Transactions as contemplated under the Master Sales Agreement to the independent Board committee and the independent Shareholders; and (3) recommendations of the independent Board committee to the independent Shareholders; and (4) if applicable, a notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

THE CONTINUING CONNECTED TRANSACTIONS

Wistron Group is one of the Group's customers and the Group has been selling the Products to Wistron Group since 2004. In August 2005, the Group entered into a master procurement contract with Wistron. For the financial years ended 31 December 2004 and 31 December 2005, and the two months ended 28 February 2006, the sales by the Group to Wistron Group amounted to approximately HK\$0.3 million, HK\$227.8 million and HK\$61.2 million respectively.

On 23 January 2006, the Group acquired 70% interest in the share capital of Mindforce from an Independent Third Party and immediately after the completion of the Acquisition, Mindforce became a non-wholly owned subsidiary of the Company and owned as to 70% by the Group and 30% by Wistron. Wistron therefore became a substantial shareholder of the Company's subsidiary and therefore, a connected person of the Company under the Listing Rules. The Directors consider that the Acquisition will increase the Group's production capacity, revenue base and profitability, and the new production plant of Mindforce has better proximity to Wistron Group which helps to tie up the business relationship between Wistron Group and the Group.

As a result of the Acquisition, the selling of Products to Wistron Group by the Group constituted connected transactions for the Company under the Listing Rules. For the period from the completion of the Acquisition as at 23 January 2006 to 28 February 2006, the sales by the Group to Wistron Group was approximately HK\$34.4 million.

The sales by the Group to Wistron Group under the Continuing Connected Transactions were on normal commercial terms and no more favourable than those available to Independent Third Party.

Since Wistron has become a connected person as defined under Listing Rules upon completion of the Acquisition, the continuing transactions under the aforementioned master procurement contract entered into between the Group and Wistron on 15 August 2005 have become Continuing Connected Transactions under the Listing Rules.

As the Continuing Connected Transactions form part of the usual and ordinary course of business of the Group, the Directors expected that the sales to Wistron Group would continue and the Group therefore entered into the conditional Master Sales Agreement with Wistron (for itself and on behalf of the other members of the Wistron Group) for a period from 27 March 2006 to 31 December 2008 which superseded and replaced the aforementioned master procurement contract. The Continuing Connected Transactions under the Master Sales Agreement are subject to the applicable reporting, disclosure and independent Shareholders' approval requirements pursuant to Rule 14A.41 of the Listing Rules. The master procurement contract was terminated upon the signing of the Master Sales Agreement.

MASTER SALES AGREEMENT

Date : 27 March 2006

Parties : Giant Glory (for itself and on behalf of the other members of the Group), as supplier

Wistron (for itself and on behalf of the other members of the Wistron Group), as purchaser

Pursuant to the Master Sales Agreement, the Group agreed to sell the Products to Wistron or other members of the Wistron Group at prices to be determined from time to time by the Group and Wistron (for itself and on behalf of the other members of the Wistron 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 Independent Third Party. The Master Sales Agreement is for a period from 27 March 2006 to 31 December 2008 unless terminated earlier according to the terms and conditions of the Master Sales Agreement.

The terms of the Master Sales Agreement were arrived at after arm's length negotiation between the Group and Wistron and are fair and reasonable so far as the Group and the Shareholders are concerned.

ANNUAL CAPS

The annual caps for the consideration receivable by the Group from Wistron Group for the sales of the Products under the Master Sales Agreement are expected to be (i) HK\$585 million for the period from 27 March 2006 to 31 December 2006; (ii) HK\$780 million for the year ending 31 December 2007; and (iii) HK\$1,170 million for the year ending 31 December 2008.

In the event that the aggregate consideration receivable by the Group under the Master Sales Agreement would exceed the annual caps for the period from 27 March 2006 to 31 December 2006, and the years ending 31 December 2007 and 31 December 2008, the Company will comply with all the relevant requirements of Chapter 14A of the Listing Rules.

The annual monetary caps were concluded by reference to (i) the historical sales of the Products to Wistron and other members of the Wistron Group; (ii) the actual sales to Wistron Group in the amount of HK\$61.2 million for the two months ended 28 February 2006; (iii) orders under negotiation and pending confirmation from Wistron Group; (iv) the new orders from the production plants of Wistron, which have been relocated to the PRC since 2005 and have not previously sourced the Products from the Group before entering into the PRC; (v) the new orders from the production plant of the PRC subsidiary of Mindforce, and the construction of which is expected to be completed in the second half of 2006; and

(vi) the projected rate of growth of Wistron Group after taking into account the expected increase in global demand for notebook computers with reference to the estimation by International Data Group for the industry growth at CAGR of approximately 18% from 2004 to 2009.

REASONS FOR THE TRANSACTIONS AND THE MASTER SALES AGREEMENT

As those Products sold by the Group to Wistron and other members of the Wistron Group are principally parts and components of notebook computer casings which are manufactured by using the metallic stamping moulds and plastic injection moulds solely owned by the Group, Wistron and other members of the Wistron Group can purchase such designated parts and components of these notebook computer casings from the Group only. After the completion of the Acquisition, the Group has also become a major notebook computer casings supplier to Wistron.

Having regard to the expected growth in demand for notebook computers, the Directors consider that the Group will benefit from the Continuing Connected Transactions and the Master Sales Agreement for the further enhancement of the Group's client portfolio.

The Directors (including the independent non-executive Directors) are of the opinion that (i) the Continuing Connected Transactions and the Master Sales Agreement have been entered into in the usual and ordinary course of business of the Group; (ii) the terms and conditions of the Master Sales Agreement have been negotiated, and will be conducted, on an arm's length basis and on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) the expected annual caps for the sales of the Products to Wistron or any other members of the Wistron Group for the period from 27 March 2006 to 31 December 2008 as referred to above are fair and reasonable.

LISTING RULES IMPLICATION

Since the annual caps for the consideration receivable by the Group under the Master Sales Agreement are expected to be (i) HK\$585 million for the period from 27 March 2006 to 31 December 2006; (ii) HK\$780 million for the year ending 31 December 2007; and (iii) HK\$1,170 million for the year ending 31 December 2008, which result in the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules (other than the profits test ratio) being more than 2.5%, the Continuing Connected Transactions under the Master Sales Agreement constitute non-exempt continuing connected transactions of the Company under Rule 14A.35 of the Listing Rules and such transactions and the annual caps are subject to the disclosure, reporting and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVER

Under the Master Sales Agreement, if any sales by the Group thereunder will result in any of the applicable percentage ratios (other than the profits test ratio) (as defined in the Listing Rules) on annual basis to exceed 2.5%, such sales are conditional upon the Company's compliance of the relevant requirements under the Listing Rules, including but not limited to the obtaining of the requisite approval of the independent Shareholders. The Company will apply to the Stock Exchange for a waiver from the requirement for holding a general meeting to seek Shareholders' approval in respect of the Master Sales Agreement pursuant to Rule 14A.43 of the Listing Rules on the basis that no Shareholder is required to abstain from voting if the Company was to convene a general meeting for the approval of the Continuing Connected Transactions and the annual caps in relation thereto and written approval from a closely allied group of Shareholders holding more than 50% of the issued share capital of the Company giving the right to attend and vote at such general meeting has been obtained.

So far as the Directors are aware after making reasonable enquiries, none of the Shareholders as at the date of this announcement has interest in the Continuing Connected Transactions or the Master Sales Agreement and none of them would be required to abstain from voting if the Company was to convene a general meeting for the approval of the Continuing Connected Transactions and the annual caps in relation thereto. Southern Asia and Extrawell together beneficially own approximately 57.82% of the issued capital of the Company as at the date hereof, will give their written approvals for the Continuing Connected Transactions and the annual caps.

Should the Company fail to obtain the waiver from the Stock Exchange from strict compliance of the requirement for holding a general meeting to seek Shareholders' approval in respect of the Continuing Connected Transactions under the Master Sales Agreement and the annual caps, or such waiver shall not be granted by the Stock Exchange, an EGM will be held to approve the Continuing Connected Transactions and the annual caps and the notice of EGM will be included in the circular to be despatched to the Shareholders as soon as practicable.

GENERAL INFORMATION

The Group has been principally engaged in the manufacturing and sale of notebook computer casings, parts and other related materials. The products of the Group also include casings for LCD PCs, digital cameras and game consoles.

Wistron is a listed company in the Republic of China. Wistron and its subsidiaries are Independent Third Parties prior to the completion of the Acquisition. Wistron and the other members of the Wistron Group are principally engaged in the design and manufacturing of products of information and communication technology and the provision of related services.

Giant Glory, an investment holding company, is principally engaged in the sales of notebook computer casings and trading of production materials for notebook computer casings.

Mindforce is an investment holding company of a wholly-owned enterprise established in the PRC which is principally engaged in the sales and manufacturing of notebook computer casings and related products.

A circular containing, among other information, (1) a letter from the Board containing further details of the Master Sales Agreement and the respective caps relating thereto, (2) a letter from an independent financial adviser containing its advice in connection with the Continuing Connected Transactions as contemplated under the Master Sales Agreement to the independent Board committee and the independent Shareholders; (3) recommendations of the independent Board committee to the independent Shareholders; and (4) if applicable, a notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

As at the date hereof, the Board comprises of:

Executive Directors	:	Mr. Cheng Li-Yu, Mr. Cheng Li-Yen, Mr. Huang Kuo-Kuang and Mr. Tsui Yung Kwok
Non-executive Director	:	Mr. Horng Tsai-Chin
Independent Non-executive Directors	:	Mr. Yu Chwo-Ming, Mr. Tsai Wen-Yu and Mr. Lo Ching Pong

DEFINITIONS

“Acquisition”	The acquisition of 70% interest in the share capital of Mindforce by Giant Glory
“Board”	The board of directors of the Company
“CAGR”	compound annual growth rate
“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
“Continuing Connected Transactions”	the connected transaction in relation to the sales of the Products by the Group to Wistron and the other members of the Wistron Group, details of which are set out in the section headed “The Continuing Connected Transactions” of this announcement
“Director(s)”	The director(s) of the Company
“EGM”	An extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving by the independent Shareholders of the Continuing Connected Transactions under the Master Sales Agreement and annual caps in relation thereto
“Extrawell”	Extrawell Development Limited, a company incorporated in Samoa on 25 October 2000, being one of the substantial Shareholders
“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 of Hong Kong Limited
“Master Sales Agreement”	The master sales agreement dated 27 March 2006 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
“Mindforce”	Mindforce Holdings Limited, a company incorporated in the British Virgin Islands which was owned as to 70% by Giant Glory and as to 30% by Wistron immediately after completion of the Acquisition

“Products”	Casings for electronic products and related materials manufactured and/or supplied by the Group
“Shareholders”	Shareholders of the Company
“Southern Asia”	Southern Asia Management Limited, a Company incorporated in Samoa on 8 August 2000, being one of the substantial Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wistron”	Wistron Corporation, a company incorporated under the laws of the Republic of China and a substantial shareholder of Mindforce
“Wistron Group”	Collectively, Wistron and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region, the People’s Republic of China
“%”	Per cent

By order of the Board
Cheng Li-Yu
Chairman

Hong Kong, 27 March 2006