

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)

**CONNECTED TRANSACTION**  
**FURTHER INVESTMENT IN A NON-WHOLLY OWNED SUBSIDIARY**

The Board is pleased to announce that the Group will increase its interest in Wah Yuen by the Subscription and the Acquisition. Upon completion of the Subscription and the Acquisition, the interest of the Group in Wah Yuen will increase from approximately 54.89% to approximately 57.16% and Wah Yuen will continue to be a non-wholly owned subsidiary of the Company.

The Compal Group will also participate in the Subscription. Upon completion of the Subscription, the interest of the Compal Group in Wah Yuen will increase from approximately 33.63% to approximately 35.59%.

As the Compal Group is a substantial shareholder of Wah Yuen, Compal is a connected person of the Company. Therefore, the Compal Subscription constitutes a connected transaction under Rule 14A.13(1)(a) of the Listing Rules. Since each of the percentage ratios in respect of the Compal Subscription is less than 5%, the transaction contemplated under the Compal Subscription is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Compal Group is regarded as a controller under the Listing Rules by virtue of its controlling interest in Wah Yuen, the Group Subscription constitutes a connected transaction under Rule 14A.13(1)(b)(i) of the Listing Rules. For purpose of calculation of the percentage ratios of the Group Subscription, the 2009 Acquisition and the Acquisition are aggregated with the Group Subscription as a single transaction as they involve the acquisition of an interest in one particular company pursuant to Rule 14A.26 of the Listing Rules completed or to be completed within a 12-month period. Since each of the percentage ratios in respect of the Group Subscription, in aggregate with the 2009 Acquisition and the Acquisition, is less than 5%, the transaction contemplated under the Group Subscription, in aggregate with the 2009 Acquisition and the Acquisition, is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that the Group will increase its interest in Wah Yuen by the Group Subscription and the Acquisition. Upon completion of the Subscription and the Acquisition, the interest of the Group in Wah Yuen will increase from approximately 54.89% to approximately 57.16% and Wah Yuen will continue to be a non-wholly owned subsidiary of the Company.

The Compal Group will also participate in the Compal Subscription. Upon completion of the Compal Subscription, the interest of the Compal Group in Wah Yuen will increase from approximately 33.63% to approximately 35.59%.

## **THE SUBSCRIPTION AND THE ACQUISITION**

### **(A) THE SUBSCRIPTION**

Wah Yuen has resolved to increase its issued share capital by issuing an aggregate of 48,863,914 WY Shares. Invitation for the subscription of the 48,863,914 WY Shares was extended to all shareholders of Wah Yuen in proportion to their shareholding in Wah Yuen. Since only Jiu De (an indirect wholly owned subsidiary of the Company) and the Compal Group will participate in the Subscription, in addition to the WY Shares to be issued and allotted to each of them in proportion to their then existing interest in Wah Yuen, Jiu De and the Compal Group will also subscribe for the remaining WY Shares which will not be subscribed by the other minority shareholders of Wah Yuen.

#### **Details of the Subscription and consideration**

Under the Subscription, Jiu De will subscribe for 29,318,349 WY Shares at the Subscription Price per WY Share for an aggregate cash consideration of US\$24,000,000, and the Compal Group will subscribe for 19,545,565 WY Shares at the Subscription Price per WY Share for an aggregate cash consideration of US\$16,000,000.

The Subscription Price was determined after arm-length's negotiations between the Group, the Compal Group and Wah Yuen based on the net asset value of Wah Yuen as at 31 December 2009 of US\$97,287,000.

The Subscription Price shall be payable by Jiu De and the Compal Group in cash at completion of the Subscription, which is expected to take place within one month from the date of this announcement. The Subscription Price of US\$24,000,000 payable by Jiu De will be settled by the internal resources of the Group. As Wah Yuen is an indirect non-wholly owned subsidiary of the Company, the Subscription Price of US\$24,000,000 to be paid by Jiu De will remain within the Group upon completion of the Subscription.

## **(B) THE ACQUISITION AGREEMENT DATED 14 JUNE 2010**

### **Parties**

- (1) Yamaha as vendor
- (2) Jiu De as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Yamaha and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company. Yamaha is principally engaged in the sales and manufacturing of automotive interior components and the design, manufacturing, and sales of precision machinery, leak tester, finishing robot systems, and specialized machinery.

### **Assets to be acquired**

1,086,648 WY Shares.

### **Consideration**

The consideration for the Acquisition is US\$1,086,648, which will be fully settled by Jiu De in cash upon completion of the Acquisition Agreement.

The consideration for the Acquisition was determined after arm-length's negotiations between the Group and Yamaha based on the net asset value of Wah Yuen as at 31 December 2009 of US\$97,287,000.

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

### **Completion of the Acquisition and condition precedent**

Completion of the Acquisition Agreement shall be conditional upon the obtaining of the Taiwan Approval by the Group in respect of the transactions contemplated under the Acquisition.

In the event the relevant Taiwan authority rejects the Group's application for the Taiwan Approval despite the Group's further representations and appeals or there is otherwise no basis for the Group to appeal to the authority for it to reconsider the case and grant the Taiwan Approval, the Group shall notify Yamaha accordingly in writing with a copy of the Taiwan authority's letter of rejection attached thereto, and the Acquisition Agreement shall terminate and the respective obligations of the parties thereto under the Acquisition Agreement shall forthwith cease and terminate and neither party shall have any claim against the other (other than any antecedent breach).

Yamaha shall have the right to terminate the Acquisition Agreement forthwith by a notice in writing to Jiu De if the Taiwan Approval is not obtained by the end of a 3-month period following the date of the Group's application to the relevant Taiwan authority for the Taiwan Approval; and until and unless Yamaha exercises its right to terminate the Acquisition Agreement, the Group shall continue with its efforts to obtain the Taiwan Approval in accordance with the terms of the Acquisition Agreement.

Upon obtaining the Taiwan Approval, Jiu De shall arrange remittance of the consideration to the designated bank account of Yamaha on the second business day thereafter, whereby the date of actual receipt of the consideration by Yamaha shall be treated as the completion date of the Acquisition Agreement.

## **UPDATE ON THE 2009 ACQUISITION**

Reference is made to the 2009 Announcement in relation to the 2009 Acquisition.

As disclosed in the 2009 Announcement, the Group has entered into agreements with Bau-Guang Investment Limited, Fortune Investment Limited, Dragon Investment Limited, Eleganto International Limited, Totino Investment Limited and 44 individuals in relation to the acquisition of an aggregate of 2,309,710 WY Shares, representing an aggregate interest of approximately 2.115% in the issued share capital of Wah Yuen.

Save for the 2009 Acquisition Agreements entered into by Eleganto International Limited and Totino Investment Limited as vendors, all the acquisitions under the 2009 Acquisition Agreement have been completed in March 2010. Pursuant to these completed 2009 Acquisition Agreements, the Group has acquired 1,580,680 WY Shares, representing an aggregate interest of approximately 1.447% in the issued share capital of Wah Yuen.

The 2009 Acquisition Agreements entered into by Eleganto International Limited and Totino Investment Limited as vendors were lapsed due to the failure by Eleganto International Limited and Totino Investment Limited in obtaining the Taiwan Approval before the long stop date under the 2009 Acquisition Agreements.

## CHANGE IN SHAREHOLDING UPON THE SUBSCRIPTION AND THE ACQUISITION

Set out below is a table showing the changes in the number and percentage of WY Shares held by the Group, the Compal Group and other shareholders (i) as at the date of this announcement; (ii) upon completion of the Subscription; and (iii) upon completion of the Acquisition:

	Number (approximate percentage) of WY Shares		
	As at the date of this announcement	Upon completion of the Subscription	Upon completion of the Acquisition
The Group	59,952,583 (54.89%)	89,270,932 (56.47%)	90,357,580 (57.16%)
The Compal Group	36,727,519 (33.63%)	56,273,084 (35.59%)	56,273,084 (35.59%)
Other shareholders	<u>12,544,309 (11.48%)</u>	<u>12,544,309 (7.94%)</u>	<u>11,457,661 (7.25%)</u>
Total	<u>109,224,411 (100%)</u>	<u>158,088,325 (100%)</u>	<u>158,088,325 (100%)</u>

## INFORMATION ON WAH YUEN

Wah Yuen is a private company incorporated in Republic of Mauritius on 4 May 2006 with limited liability. As at the date of this announcement, 109,224,411 WY Shares have been issued and were beneficially owned as to approximately 54.89% by Jiu De, approximately 33.63% by the Compal Group and approximately 11.48% by nine other individual and corporate shareholders who are independent of the Group and its connected persons. Compal is an investment holding company whose shares are listed on the Taiwan Stock Exchange Corporation. The Compal Group is principally engaged in the design and manufacturing of products of information and communication technology and the provision of related services.

Wah Yuen, together with its subsidiaries, are principally engaged in the design, development, manufacture and sale of magnesium alloy casing for notebook computers. Based on the audited consolidated accounts of Wah Yuen which have been prepared in accordance with generally accepted accounting principles in Taiwan, the consolidated net asset value of Wah Yuen was approximately US\$97,287,000 as at 31 December 2009. For the year ended 31 December 2009, the consolidated net profit before taxation and extraordinary items of Wah Yuen amounted to approximately US\$7,358,000 and the consolidated net profit after taxation and extraordinary items of Wah Yuen amounted to approximately US\$7,353,000. For the year ended 31 December 2008, the consolidated net loss before taxation and extraordinary items of Wah Yuen amounted to approximately US\$4,415,000 and consolidated net loss after taxation and extraordinary items amounted to approximately US\$4,350,000.

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND ACQUISITION

The Group has been principally engaged in the manufacturing and sale of notebook computer casings, parts and other related materials.

The Group has completed the acquisition and subscription of an aggregate of 53.44% interest in Wah Yuen in March 2009. After the acquisition and subscription, the Group has strengthened the management team of Wah Yuen. Wah Yuen has since then shown healthy growth with orders picking up steadily. As magnesium notebook computer casing has a higher gross margin compared to plastic casing, the Group is optimistic about the growth and future performance of Wah Yuen, therefore, the Board considers it appropriate to acquire further interest in Wah Yuen.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription and the Acquisition are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the Compal Group is a substantial shareholder of Wah Yuen, Compal is a connected person of the Company. Therefore, the Compal Subscription constitutes a connected transaction under Rule 14A.13(1)(a) of the Listing Rules. Since each of the percentage ratios in respect of the Compal Subscription is less than 5%, the transaction contemplated under the Compal Subscription is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Compal Group is regarded as a controller under the Listing Rules by virtue of its controlling interest in Wah Yuen, the Group Subscription constitutes a connected transaction under Rule 14A.13(1)(b)(i) of the Listing Rules. For purpose of calculation of the percentage ratios of the Group Subscription, the 2009 Acquisition and the Acquisition are aggregated with the Group Subscription as a single transaction as they involve the acquisition of an interest in one particular company pursuant to Rule 14A.26 of the Listing Rules completed or to be completed within a 12-month period. Since each of the percentage ratios in respect of the Group Subscription, in aggregate with the 2009 Acquisition and the Acquisition, is less than 5%, the transaction contemplated under the Group Subscription, in aggregate with the 2009 Acquisition and the Acquisition, is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The 2009 Acquisition and the Acquisition are not regarded as notifiable or connected transactions under the Listing Rules.

## **DEFINITIONS**

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

“2009 Acquisition”	the further acquisition of minority interest in Wah Yuen by the Group as announced in the 2009 Announcement
--------------------	---

“2009 Acquisition Agreements”	the acquisition agreements in relation to the 2009 Acquisition
“2009 Announcement”	the announcement of the Company dated 7 May 2009 in relation to the further acquisition of minority interest by the Group in Wah Yuen
“Acquisition”	the acquisition of 1,086,648 WY Shares by Jiu De from Yamaha pursuant to the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement entered into between Yamaha as vendor and Jiu De as purchaser on 14 June 2010 in connection with the Acquisition
“Board”	board of Directors
“Compal”	Compal Electronics, Inc., a company incorporated under the laws of Taiwan
“Compal Group”	collectively, Compal and its subsidiaries from time to time
“Compal Subscription”	the subscription by the Compal Group for 19,545,565 WY Shares at the Subscription Price per WY Share for an aggregate cash consideration of US\$16,000,000 pursuant to the Subscription
“Company”	Ju Teng International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares having a par value of HK\$0.10 each are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Group Subscription”	the subscription by the Group for 29,318,349 WY Shares at the Subscription Price per WY Share for an aggregate cash consideration of US\$24,000,000 pursuant to the Subscription
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Jiu De”	Jiu De International Limited, a company incorporated in Samoa which is an indirect wholly owned subsidiary of the Company

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	collectively, the Compal Subscription and the Group Subscription
“Subscription Price”	the subscription price of approximately US\$0.82 per WY Share
“Taiwan Approval”	the approval of the Investment Commission of the Ministry of Economic Affairs of Taiwan of the respective transactions contemplated under the Acquisition Agreement or the 2009 Acquisition Agreements, as the case may be
“Wah Yuen”	Wah Yuen Technology Holding Limited, a company incorporated in the Republic of Mauritius with limited liability and a non-wholly owned subsidiary of the Company
“WY Shares”	the ordinary shares of Wah Yuen
“Yamaha”	Yamaha Fine Technologies Co., Ltd., a company incorporated in Japan and the vendor of the Acquisition Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 17 June 2010

*As at the date of this announcement, the executive Directors are Mr. Cheng Li-Yu, Mr. Cheng Li-Yen, Mr. Huang Kuo-Kuang, Mr. Hsieh Wan-Fu, Mr. Lo Jung-Te, 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.*