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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 date 2 February 2009, 1 September 2009 and 25 November 2011, among others, in relation to the Existing Compal 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 2014.

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, the Group has entered into the Compal Master Sales Renewal Agreement on 30 December 2014.

As at the date of this announcement, as Compal is a substantial shareholder of Wah Yuen Technology Holding Ltd., 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.

By virtue of Rule 14A.101 of the Listing Rules, as (i) Compal 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 is exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcement of the Company date 2 February 2009, 1 September 2009 and 25 November 2011 in relation to, among others, the Existing Compal 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 2014.

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 2014. Therefore, on 30 December 2014, Giant Glory (for itself and on behalf of the members of the Group) entered into the Compal Master Sales Renewal Agreement with Compal and six of its subsidiaries (for themselves 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 Independent Third Party(ies). The price of the Products shall be payable by the Compal Group to the Group in arrears on 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 2015 to 31 December 2017 (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 2017

For each of the three years ending 31 December 2014, the annual caps under the Existing Compal Master Sales Agreements were HK\$3,385 million, HK\$4,235 million and HK\$5,296 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 2017 will be HK\$2,558 million, HK\$2,686 million and HK\$2,820 million, respectively.

The proposed annual caps for each of the three years ending 31 December 2017 are determined by the Company based 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 2013 and the six months ended 30 June 2014, of HK\$3,009 million, HK\$2,614 million and HK\$1,085 million, respectively;

2. existing purchase orders on hand and orders under negotiation and pending confirmation from the Compal Group; and
3. expected business scale of the Compal Group in the coming three years after taking into consideration of the market trend of worldwide notebook computer and handheld devices industries.

REASONS FOR THE TRANSACTIONS

As those Products sold by the Group to Compal and other members of the Compal Group are principally 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, Compal and other members of the Compal Group can purchase such designated parts and components of these casings for notebook computer and handheld devices from the Group only.

Having regard to the expected growth in demand for notebook computers and handheld devices, the Directors consider that the Group will benefit from the continuing connected transactions under the Compal Master Sales Renewal Agreement for the further enhancement of the Group's client portfolio.

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, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE COMPAL GROUP

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

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, as Compal is a substantial shareholder of Wah Yuen Technology Holding Ltd., a non-wholly owned subsidiary of the Company, Compal is a connected person of the Company at 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.

By virtue of Rule 14A.101 of the Listing Rules, as (i) Compal 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 is exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has 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 30 December 2014 (which shall be effective on 1 January 2015) and entered into between Giant Glory (for itself and on behalf of other members of the Group) and Compal and six of its subsidiaries (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 2015 and ending 31 December 2017 (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 director(s) 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 a renewal agreement entered into between the same parties on 15 November 2011 for the term commencing from 1 January 2012 and ending 31 December 2014 (both dates inclusive))

“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”	the continuing connected transactions contemplated under the Compal Master Sales Renewal Agreement
“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
Tsui Yung Kwok
Company Secretary

Hong Kong, 31 December 2014

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.