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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 TRANSACTIONS

CONSTRUCTION AGREEMENTS IN RELATION TO CONSTRUCTION OF PRODUCTION PLANT

The Board announces that on 26 April 2016, Taizhou Electronic entered into three Construction Agreements with the Contractor in relation to the construction of the Production Plant for the manufacturing of metal casings for notebook computers and handheld devices using anodizing technique, which is a surface treatment process on metal casings for corrosion protection and decorative appearance, in the Taizhou Development Zone in Jiangsu Province, the PRC.

Each of the Construction Agreements, on a standalone basis and on an aggregated basis, do not constitute a notifiable transaction under Chapter 14 of the Listing Rules. Each of the Previous Construction Agreements, on a standalone basis and on an aggregated basis, do not constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Previous Construction Agreements and the Construction Agreements are aggregated as a single transaction pursuant to Rule 14.23 of the Listing Rules as these agreements were entered into by the Group with the same party. Since the relevant percentage ratio in respect of the Construction Agreements when aggregated with the Previous Construction Agreements is more than 5% but less than 25%, the transactions contemplated under the Construction Agreements constitute discloseable transactions under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 26 April 2016, Taizhou Electronic entered into three Construction Agreements with the Contractor in relation to the construction of the Production Plant for the manufacturing of metal casings for notebook computers and handheld devices using anodizing technique, which is a surface treatment process on metal casings for corrosion protection and decorative appearance, in the Taizhou Development Zone in Jiangsu Province, the PRC.

THE CONSTRUCTION AGREEMENTS

Date and parties

Date: 26 April 2016

Parties:

- (i) Taizhou Electronic
- (ii) The Contractor

The Directors confirmed that, to the best of their knowledge, information and belief, having made all reasonable enquiry, the Contractor and its ultimate beneficial owner(s) are third parties independent of the Group and its connected persons.

Principal terms of the Construction Agreements

The principal terms of each of the Construction Agreements entered into between Taizhou Electronic and the Contractor are identical save for the consideration, payment schedule and subject matters of the Construction. Under the Construction Agreements, the Contractor has agreed to construct various parts, including production facilities, dangerous good stores, inventories stores and multi-purpose complex, which upon their respective completion, will constitute the Production Plant for manufacturing of metal casings for notebook computers and handheld devices using anodizing technique, which is a surface treatment process on metal casings for corrosion protection and decorative appearance. The Construction shall be carried out by the Contractor in accordance with the design drawing to be provided by Taizhou Electronic. The Construction shall commence and complete at such dates in accordance with the construction progress plan to be prepared by the Contractor or as otherwise agreed between the parties. The Contractor shall be responsible to repair the defect of the Construction (if any) during the Warranty Period, failing which Taizhou Electronic shall be entitled to engage other parties to repair the defect and deduct the expenses incurred from the Warranty Fund.

Consideration pursuant to the Construction Agreement (A)

The aggregate sum of consideration payable by Taizhou Electronic for the Construction under the Construction Agreement (A) shall be approximately RMB89.23 million (equivalent to approximately HK\$106.56 million) which shall be payable to the Contractor by Taizhou Electronic in cash in the following manner:

- (i) approximately RMB17.85 million (equivalent to approximately HK\$21.31 million), being 20% of the consideration, shall be payable upon signing of the Construction Agreement (A);
- (ii) approximately RMB17.85 million (equivalent to approximately HK\$21.31 million), being 20% of the consideration, shall be payable after laying of the foundation of the Construction under the Construction Agreement (A);
- (iii) approximately RMB22.30 million (equivalent to approximately HK\$26.64 million), being 25% of the consideration, shall be payable after completion of construction of respective frameworks of the Construction under the Construction Agreement (A);
- (iv) approximately RMB17.85 million (equivalent to approximately HK\$21.31 million), being 20% of the consideration, shall be payable after Taizhou Electronic's confirmation of acceptance of completion of the major parts of the Construction under the Construction Agreement (A);

- (v) approximately RMB10.71 million (equivalent to approximately HK\$12.79 million), being 12% of the consideration, shall be payable after Taizhou Electronic's confirmation of acceptance of completion of the entire Construction under the Construction Agreement (A); and
- (vi) approximately RMB2.67 million (equivalent to approximately HK\$3.20 million), being 3% of the consideration (i.e. the Warranty Fund) (or the balance thereof), shall be payable within one year after the date of Taizhou Electronic's acceptance of completion of the Construction under the Construction Agreement (A).

Consideration pursuant to the Construction Agreement (B)

The aggregate sum of consideration payable by Taizhou Electronic for the Construction under the Construction Agreement (B) shall be approximately RMB59.85 million (equivalent to approximately HK\$71.47 million) which shall be payable to the Contractor by Taizhou Electronic in cash in the following manner:

- (i) approximately RMB11.97 million (equivalent to approximately HK\$14.29 million), being 20% of the consideration, shall be payable upon signing of the Construction Agreement (B);
- (ii) approximately RMB11.97 million (equivalent to approximately HK\$14.29 million), being 20% of the consideration, shall be payable after lying of the foundation of the Construction under the Construction Agreement (B);
- (iii) approximately RMB14.96 million (equivalent to approximately HK\$17.87 million), being 25% of the consideration, shall be payable after completion of construction of respective frameworks of the Construction under the Construction Agreement (B);
- (iv) approximately RMB11.97 million (equivalent to approximately HK\$14.29 million), being 20% of the consideration, shall be payable after Taizhou Electronic's confirmation of acceptance of completion of the major parts of the Construction under the Construction Agreement (B);
- (v) approximately RMB7.18 million (equivalent to approximately HK\$8.58 million), being 12% of the consideration, shall be payable after Taizhou Electronic's confirmation of acceptance of completion of the entire Construction under the Construction Agreement (B); and
- (vi) approximately RMB1.80 million (equivalent to approximately HK\$2.15 million), being 3% of the consideration (i.e. the Warranty Fund) (or the balance thereof), shall be payable within one year after the date of Taizhou Electronic's acceptance of completion of the Construction under the Construction Agreement (B).

Consideration pursuant to the Construction Agreement (C)

The aggregate sum of consideration payable by Taizhou Electronic for the Construction under the Construction Agreement (C) shall be approximately RMB16.29 million (equivalent to approximately HK\$19.46 million) which shall be payable to the Contractor by Taizhou Electronic in cash in the following manner:

- (i) approximately RMB3.26 million (equivalent to approximately HK\$3.89 million), being 20% of the consideration, shall be payable upon signing of the Construction Agreement (C);
- (ii) approximately RMB3.26 million (equivalent to approximately HK\$3.89 million), being 20% of the consideration, shall be payable after completion of construction of five storey of the Construction under the Construction Agreement (C);

- (iii) approximately RMB4.07 million (equivalent to approximately HK\$4.87 million), being 25% of the consideration, shall be payable after completion of construction of the Construction under the Construction Agreement (C);
- (iv) approximately RMB3.26 million (equivalent to approximately HK\$3.89 million), being 20% of the consideration, shall be payable after Taizhou Electronic's confirmation of acceptance of completion of the major parts of the Construction under the Construction Agreement (C);
- (v) approximately RMB1.95 million (equivalent to approximately HK\$2.34 million), being 12% of the consideration, shall be payable after Taizhou Electronic's confirmation of acceptance of completion of the entire Construction under the Construction Agreement (C); and
- (vi) approximately RMB0.49 million (equivalent to approximately HK\$0.58 million), being 3% of the consideration (i.e. the Warranty Fund) (or the balance thereof), shall be payable within one year after the date of Taizhou Electronic's acceptance of completion of the Construction under the Construction Agreement (C).

The respective consideration under each of the Construction Agreements was determined based on arm's length negotiation between the parties with reference to the proposed design and standard of the respective Construction under each of the Construction Agreements.

Each of the Construction Agreements is independent and their respective signing and execution are not inter-conditional upon the other Construction Agreements.

INFORMATION ON THE PARTIES

The Group is principally engaged in the manufacturing and sale of casings for notebook computers and handheld devices.

The Contractor is a limited company in the PRC principally engaged in building construction. Within 12 months immediately before the date of the Construction Agreements, the Group has entered into several other construction agreements with the Contractor in respect of the construction and reconstruction projects at various production plants of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENTS

The Directors consider that the entering into of the Construction Agreements and establishing the Production Plant at the Taizhou Development Zone are beneficial to the Group because the construction of the Production Plant would enable the Group to manufacture metal casings using anodizing technique, which the existing production plants of the Group does not possess. Anodizing technique is a surface treatment process on metal casings for corrosion protection and decorative appearance. The Directors consider that by constructing the Production Plant with anodizing technique, the Group no longer needs to outsource the anodizing process to third party service provider. Therefore, the pricing of the metal casing products of the Group can be more competitive and which can in turn increase the profit margin of the Group's products.

The Directors (including the independent non-executive Directors) believe that the respective terms of each of the Construction Agreements are fair and reasonable and are in the interests of the Group and Shareholders as a whole.

LISTING RULES IMPLICATION

Each of the Construction Agreements, on a standalone basis and on an aggregated basis, do not constitute a notifiable transaction under Chapter 14 of the Listing Rules. Each of the Previous Construction Agreements, on a standalone basis and on an aggregated basis, do not constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Previous Construction Agreements and the Construction Agreements are aggregated as a single transaction pursuant to Rule 14.23 of the Listing Rules as these agreements were entered into by the Group with the same party. Since the relevant percentage ratio in respect of the Construction Agreements when aggregated with the Previous Construction Agreements is more than 5% but less than 25%, the transactions contemplated under the Construction Agreements constitute discloseable transactions under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“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 Main Board of the Stock Exchange
“Construction”	the construction of the Production Plant pursuant to the Construction Agreements
“Construction Agreement (A)”	a construction agreement (and the ancillary documents pursuant thereto) entered into between Taizhou Electronic and the Contractor on 26 April 2016 in respect of the construction of, among others, several production facilities and dangerous goods stores at the Taizhou Development Zone, which together with other Construction pursuant to the Construction Agreements, will constitute the Production Plant upon its completion
“Construction Agreement (B)”	a construction agreement (and the ancillary documents pursuant thereto) entered into between Taizhou Electronic and the Contractor on 26 April 2016 in respect of the construction of, among others, several production facilities and inventories stores at the Taizhou Development Zone, which together with other Construction pursuant to the Construction Agreements, will constitute the Production Plant upon its completion
“Construction Agreement (C)”	a construction agreement (and the ancillary documents pursuant thereto) entered into between Taizhou Electronic and the Contractor on 26 April 2016 in respect of the construction of, among others, several production facilities and multi-purpose complex at the Taizhou Development Zone, which together with other Construction pursuant to the Construction Agreements, will constitute the Production Plant upon its completion

“Construction Agreements”	collectively, the Construction Agreement (A), the Construction Agreement (B) and the Construction Agreement (C)
“Contractor”	吳江市青雲建設有限公司(Wujiang City Qingyun Construction Co., Ltd.*)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Previous Construction Agreements”	several construction agreements entered into between the Group and the Contractor within 12 months immediately before the date of the Construction Agreements in respect of the construction and reconstruction projects at various production plants of the Group
“Production Plant”	an integrated production plant for manufacturing of metal casings for notebook computers and handheld devices using anodizing technique, which is a surface treatment process on metal casings for corrosion protection and decorative appearance, to be constructed in the Taizhou Development Zone pursuant to the Construction Agreements
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taizhou Development Zone”	泰州市經濟開發區 (Taizhou City Economic and Technological Development Zone*) located in Jiangsu Province, the PRC
“Taizhou Electronic”	巨騰電子科技（泰州）有限公司（Juteng Electronic Technology (Taizhou) Co., Ltd.), an indirect wholly owned subsidiary of the Company established in the PRC
“Warranty Fund”	3% of the respective construction fee for the Construction under each of the Construction Agreements
“Warranty Period”	a period ranging from one year to five years, depending on the parts of the Production Plant, starting from the completion of the construction of the relevant part of the Production Plant, during which the Contractor shall repair the defect of the Construction (if any) at the expense of the Contractor
“%”	per cent

* *the English translation of the Chinese name is for information purposes only, and should not be regarded as the official English translation of such name.*

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.1942 has been used for currency conversions. This is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ and RMB have been, could have been or may be converted at such rate or any other exchange rate.

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

Hong Kong, 27 April 2016

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.