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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 TRANSACTION**

### **TENANCY AGREEMENTS FOR LETTING PRODUCTION PLANT AND STAFF DORMITORY**

#### **THE PRODUCTION PLANT TENANCY AGREEMENT**

On 30 August 2016, WIS Precision and the Lessee entered into the Production Plant Tenancy Agreement pursuant to which WIS Precision agreed to let the Production Plant to the Lessee for a term of 15 years commencing from 1 September 2016 until 31 August 2031 (both days inclusive) for an aggregate rent of approximately RMB184,020,000 (equivalent to approximately HK\$213,682,000).

#### **THE STAFF DORMITORY TENANCY AGREEMENT**

On 30 August 2016, WIS Precision and the Lessee entered into the Staff Dormitory Tenancy Agreement pursuant to which WIS Precision agreed to let the Staff Dormitory to the Lessee for a term of 15 years commencing from 1 September 2016 until 31 August 2031 (both days inclusive) for an aggregate rent of approximately RMB45,841,000 (equivalent to approximately HK\$53,232,000).

#### **LISTING RULES IMPLICATION**

As the relevant percentage ratio in respect of the Production Plant Tenancy Agreement, on a standalone basis, is more than 5% but less than 25%, the transaction contemplated under the Production Plant Tenancy Agreement constituted discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Staff Dormitory Tenancy Agreement, on a standalone basis, does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Production Plant Tenancy Agreement and the Staff Dormitory Tenancy Agreement are aggregated as a single transaction pursuant to Rule 14.23 of the Listing Rules as the Tenancy Agreements were entered into by the Group with the same party. As the relevant percentage ratio in respect of the Staff Dormitory Tenancy Agreement when aggregated with the Production Plant Tenancy Agreement is more than 5% but less than 25%, the transaction contemplated under the Tenancy Agreements constituted discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## THE PRODUCTION PLANT TENANCY AGREEMENT

**Date:** 30 August 2016

**Parties:** (1) WIS Precision as lessor; and  
(2) Lessee as lessee

**Term:** The Production Plant Tenancy Agreement shall have a term of 15 years commencing from 1 September 2016 until 31 August 2031 (both days inclusive) subject to the right of WIS Precision to terminate the Production Plant Tenancy Agreement upon an event of default caused by the Lessee as specified therein. Save as otherwise provided in the Production Plant Tenancy Agreement for termination prior to the expiry of the term, if any party terminates the Production Plant Tenancy Agreement prior to 31 August 2022 or (as the case may be) 31 August 2031, it shall pay a default damages of RMB20 million (equivalent to approximately HK\$23 million) or RMB10 million (equivalent to approximately HK\$12 million), respectively to the other party.

**Rent:** The aggregate rent during the term of the Production Plant Tenancy Agreement is approximately RMB184,020,000 (equivalent to approximately HK\$213,692,000), exclusive of tax, management fee, security fee, environment protection fee, water and electricity bill and other utility charges in relation to the use of the Production Plant.

Among the aggregate rent of approximately RMB184,020,000 (equivalent to approximately HK\$213,692,000):

- (a) approximately RMB1,044,000 (equivalent to approximately HK\$1,212,000), representing the rent for the period from 1 September 2016 to 31 August 2017 (both days inclusive) shall be paid in cash by the Lessee to WIS Precision within 10 days of the signing of the Production Plant Tenancy Agreement; and
- (b) approximately RMB182,976,000 (equivalent to approximately HK\$212,480,000), representing the rent for the period from 1 September 2017 to 31 August 2031 (both days inclusive) shall be paid by the Lessee to WIS Precision in cash on a quarterly basis and before the 25th day of the month prior to the commencement of each quarter in the following manner:
  - (i) for the period from 1 September 2017 to 31 August 2019 (both days inclusive), the rent of each quarter shall be approximately RMB2,925,000 (equivalent to approximately HK\$3,397,000);
  - (ii) for the period from 1 September 2019 to 31 August 2022 (both days inclusive), the rent of each quarter shall be approximately RMB3,082,000 (equivalent to approximately HK\$3,579,000);
  - (iii) for the period from 1 September 2022 to 31 August 2025 (both days inclusive), the rent of each quarter shall be approximately RMB3,240,000 (equivalent to approximately HK\$3,762,000);

(iv) for the period from 1 September 2025 to 31 August 2028 (both days inclusive), the rent of each quarter shall be approximately RMB3,398,000 (equivalent to approximately HK\$3,946,000); and

(v) for the period from 1 September 2028 to 31 August 2031 (both days inclusive), the rent of each quarter shall be approximately RMB3,578,000 (equivalent to approximately HK\$4,155,000).

The consideration was determined on an arm's length basis based on the rental per square metre of the Production Plant and the expected rate of inflation during the term of the Production Plant Tenancy Agreement.

**Deposit:** Within 10 days of the signing of the Production Plant Tenancy Agreement, the Lessee shall pay a deposit of approximately RMB2,925,000 (equivalent to approximately HK\$3,397,000) to WIS Precision which shall be refunded by WIS Precision within 30 days after the expiry or termination of the Production Plant Tenancy Agreement, failing which WIS Precision shall pay to the Lessee a default damages of RMB10,000 (equivalent to approximately HK\$12,000) per day until such deposit shall be refunded.

## **THE STAFF DORMITORY TENANCY AGREEMENT**

**Date:** 30 August 2016

**Parties:** (1) WIS Precision as lessor; and  
(2) Lessee as lessee

**Term:** The Staff Dormitory Tenancy Agreement shall have a term of 15 years commencing from 1 September 2016 until 31 August 2031 (both days inclusive) subject to the right of WIS Precision to terminate the Staff Dormitory Tenancy Agreement upon an event of default caused by the Lessee as specified therein. Save as otherwise provided in the Staff Dormitory Tenancy Agreement for termination prior to the expiry of the term, if any party terminates the Staff Dormitory Tenancy Agreement prior to 31 August 2022 or (as the case may be) 31 August 2031, it shall pay a default damages of RMB20 million (equivalent to approximately HK\$23 million) or RMB10 million (equivalent to approximately HK\$12 million), respectively to the other party.

**Rent:** The aggregate rent during the term of the Staff Dormitory Tenancy Agreement is approximately RMB45,841,000 (equivalent to approximately HK\$53,232,000), exclusive of tax, management fee, security fee, environment protection fee, water and electricity bill and other utility charges in relation to the use of the Staff Dormitory.

Among the aggregate rent of approximately RMB45,841,000 (equivalent to approximately HK\$53,232,000):

- (a) approximately RMB1,413,000 (equivalent to approximately HK\$1,641,000), representing the rent for the period from 1 September 2016 to 31 August 2017 (both days inclusive) shall be paid in cash by the Lessee to WIS Precision in the following manner:
  - (i) approximately RMB707,000 (equivalent to approximately HK\$821,000) of which shall be paid within 10 days of the signing of the Staff Dormitory Tenancy Agreement; and
  - (ii) the remaining approximately RMB706,000 (equivalent to approximately HK\$820,000) shall be paid before 1 March 2017;
- (b) approximately RMB44,212,000 (equivalent to approximately HK\$51,340,000), representing the rent for the period from 1 September 2017 to 31 August 2031 (both days inclusive) shall be paid by the Lessee to WIS Precision in cash on a quarterly basis and before the 25th day of the month prior to the commencement of each quarter in the following manner:
  - (i) for the period from 1 September 2017 to 31 August 2019 (both days inclusive), the rent of each quarter shall be approximately RMB707,000 (equivalent to approximately HK\$821,000);
  - (ii) for the period from 1 September 2019 to 31 August 2022 (both days inclusive), the rent of each quarter shall be approximately RMB745,000 (equivalent to approximately HK\$865,000);
  - (iii) for the period from 1 September 2022 to 31 August 2025 (both days inclusive), the rent of each quarter shall be approximately RMB783,000 (equivalent to approximately HK\$909,000);
  - (iv) for the period from 1 September 2025 to 31 August 2028 (both days inclusive), the rent of each quarter shall be approximately RMB821,000 (equivalent to approximately HK\$954,000); and
  - (v) for the period from 1 September 2028 to 31 August 2031 (both days inclusive), the rent of each quarter shall be approximately RMB864,000 (equivalent to approximately HK\$1,003,000); and
- (c) Approximately RMB216,000 (equivalent to approximately HK\$251,000) shall be paid by the Lessee by providing 10 rooms in the Staff Dormitory to the staff of the Group as staff dormitory for a period of five years commencing from 1 September 2016.

The consideration (including the rent payable in sub-paragraph (c) above) was determined on an arm's length basis based on the rental per square metre of the Staff Dormitory and the expected rate of inflation during the term of the Staff Dormitory Tenancy Agreement.

**Deposit:** Within 10 days of the signing of the Staff Dormitory Tenancy Agreement, the Lessee shall pay a deposit of approximately RMB707,000 (equivalent to approximately HK\$821,000) to WIS Precision which shall be refunded by WIS Precision within 30 days after the expiry or termination of the Staff Dormitory Tenancy Agreement, failing which WIS Precision shall pay to the Lessee a default damages of RMB10,000 (equivalent to approximately HK\$12,000) per day until such deposit shall be refunded.

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

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENTS**

The Production Plant used to be part of the production plant of the Group for plastic casing products. As the Production Plant could no longer meet the production requirements of the Group, the Production Plant together with the Staff Dormitory were no longer used by the Group. Instead of keeping the Production Plant and the Staff Dormitory idled before the same can be disposed, the Directors consider it more beneficial to let the Production Plant and the Staff Dormitory to the Lessee which can bring additional revenue to the Group. As such, the Board considers that the entering into of the Tenancy Agreements with Lessee is beneficial to the Group.

The Directors consider that the terms of the Tenancy Agreements (including the rent) are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

## **INFORMATION ON THE GROUP AND THE LESSEE**

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

The Lessee is a corporation in the PRC which is principally engaged in real estate consultancy services and property leasing. The Directors confirmed that, to the best of their knowledge, information and belief having made all reasonable enquiry, the Lessee and its ultimate beneficial owner(s) are third parties independent of the Group and its connected persons.

## **LISTING RULES IMPLICATION**

As the relevant percentage ratio in respect of the Production Plant Tenancy Agreement, on a standalone basis, is more than 5% but less than 25%, the transaction contemplated under the Production Plant Tenancy Agreement constituted discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Staff Dormitory Tenancy Agreement, on a standalone basis, does not constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Production Plant Tenancy Agreement and the Staff Dormitory Tenancy Agreement are aggregated as a single transaction pursuant to Rule 14.23 of the Listing Rules as the Tenancy Agreements were entered into by the Group with the same party. As the relevant percentage ratio in respect of the Staff Dormitory Tenancy Agreement when aggregated with the Production Plant Tenancy Agreement is more than 5% but less than 25%, the transaction contemplated under the Tenancy Agreements constituted discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

<b>“Board”</b>	the board of Directors
<b>“Company”</b>	Ju Teng International Holdings Limited, a company incorporated under the law of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
<b>“Directors”</b>	the directors of the Company
<b>“Group”</b>	the Company and its subsidiaries
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the PRC
<b>“Lessee”</b>	a corporation in the PRC which is the lessee under the Production Plant Tenancy Agreement and the Staff Dormitory Tenancy Agreement
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“PRC”</b>	the People’s Republic of China
<b>“Production Plant”</b>	part of a production plant with floor area of 75,002 square metres owned by the Group and located in the Kunshan City, Jiangsu Province, the PRC
<b>“Production Plant Tenancy Agreement”</b>	tenancy agreement dated 30 August 2016 entered into between WIS Precision as lessor and the Lessee as lessee in respect of the letting of the Production Plant
<b>“Shareholder(s)”</b>	shareholder(s) of the Company
<b>“Staff Dormitory”</b>	part of a premises which is used for staff dormitory with floor area of 18,122.5 square metres owned by the Group and located in the Kunshan City, Jiangsu Province, the PRC
<b>“Staff Dormitory Tenancy Agreement”</b>	tenancy agreement dated 30 August 2016 entered into between WIS Precision as lessor and the Lessee as lessee in respect of the letting of the Staff Dormitory
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Tenancy Agreements”</b>	collectively, the Production Plant Tenancy Agreement and the Staff Dormitory Tenancy Agreement
<b>“WIS Precision”</b>	WIS Precision (Kunshan) Co., Ltd., an indirect non-wholly owned subsidiary of the Company

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

*In this announcement, amounts quoted in RMB has been converted into HK\$ at the rate of HK\$1.1612 to RMB1. Such exchange rate has been used, where applicable, for purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at such rate or any other rates.*

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

Hong Kong, 30 August 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.*