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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
COMPENSATION FOR RELOCATION OF PLANTS**

RELOCATION OF THE SD PLANT

On 9 June 2017, Suzhou Dazhi entered into the SD Relocation Agreement with the Council, pursuant to which Suzhou Dazhi has agreed to surrender its land use rights in respect of the SD Land to the Council, and the Council has agreed to make the relocation compensation of RMB570,800,000 (equivalent to approximately HK\$656,420,000) to Suzhou Dazhi covering, among others, its relocation costs and losses arising from such surrender and the relocation of the SD Plant.

RELOCATION OF THE WD PLANT

On 9 June 2017, Wujiang Dading entered into the WD Relocation Agreement with the Council, pursuant to which Wujiang Dading has agreed to surrender its land use rights in respect of the WD Land to the Council, and the Council has agreed to make the relocation compensation of RMB89,200,000 (equivalent to approximately HK\$102,580,000) to Wujiang Dading covering, among others, its relocation costs and losses arising from such surrender and the relocation of the WD Plant.

LISTING RULES IMPLICATION

The SD Relocation Agreement and the WD Relocation Agreement 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.

As the relevant percentage ratio in respect of the SD Relocation Agreement and the WD Relocation Agreement on an aggregated basis is more than 5% but less than 25%, the transaction contemplated under the SD Relocation Agreement and the WD Relocation Agreement constituted discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 9 June 2017, Suzhou Dazhi and Wujiang Dading entered into the SD Relocation Agreement and WD Relocation Agreement with the Council, respectively, pursuant to which the Council has agreed to make compensation of RMB570,800,000 (equivalent to approximately HK\$656,420,000) and RMB89,200,000 (equivalent to approximately HK\$102,580,000) to Suzhou Dazhi and Wujiang Dading, respectively, covering, among others, the relocation costs and losses arising from such surrender of the SD Land and the WD Land, and the relocation of the SD Plant and WD Plant.

SD RELOCATION AGREEMENT

The principal terms and conditions of the SD Relocation Agreement are set out below:

Date: 9 June 2017

Parties: (1) Suzhou Dazhi; and
(2) Council

Compensation

The sum of relocation compensation to be received by Suzhou Daizhi will be RMB570,800,000 (equivalent to approximately HK\$656,420,000), being the compensation for the surrender of the SD Land and the losses of the buildings and other fixtures and facilities erected and constructed thereon, the costs to be incurred for relocation of the SD Plant and the waiver by Suzhou Daizhi for its entitlement to production cessation subsidy.

The relocation compensation shall be payable to Suzhou Dazhi by the Council in cash in the following manner:

- (a) 20% of which shall be settled within one month after signing of the SD Relocation Agreement;
- (b) 30% of which shall be settled within one month after Suzhou Dazhi has surrendered the land certificate (土地證) and property certificate (房產證) of the SD Land;

- (c) 20% of which shall be settled within one month after construction permit for the New Plant (the “**Construction Permit**”) has been obtained by the Group from the relevant authorities in the PRC;
- (d) 10% of which shall be settled within one month after construction of the roof of the New Plant has been completed by 50%;
- (e) 10% of which shall be settled within one month after construction of the roof of the New Plant has been fully completed; and
- (f) 10% of which shall be settled within one month after the Council has completed all the procedures for the deregistration of the land on which the SD Plant is located and Suzhou Dazhi has vacated from the SD Plant.

The relocation compensation of RMB570,800,000 (equivalent to approximately HK\$656,420,000) was determined based on arm's length negotiation between the Group and the Council after taking into factors including the estimated expenses to be incurred by the Group for the Relocation and the cost for the purchase of land and equipment and construction of the New Plant.

Completion of the relocation of the SD Plant

Pursuant to the SD Relocation Agreement, Suzhou Daizhi shall complete vacating the SD Land within two years after the Construction Permit is obtained and during which Suzhou Dazhi is not required to pay any rent for the use of such land. Pursuant to the SD Relocation Agreement, for the purpose of assisting the vacation and relocation of the SD Plant, the Council shall provide Suzhou Dazhi with all the necessary assistance for the relocation of the SD Plant including assisting the Group to comply with the relevant requirements in various areas, including fire safety, environmental protection, labour, etc. The SD Plant shall be relocated to the New Plant.

WD RELOCATION AGREEMENT

The principal terms and conditions of the WD Relocation Agreement are set out below:

Date: 9 June 2017

Parties: (1) Wujiang Dading; and

(2) Council

Compensation

The sum of relocation compensation to be received by Wujiang Dading will be RMB89,200,000 (equivalent to approximately HK\$102,580,000), being the compensation for the surrender of the WD Land and the losses of the buildings and other fixtures and facilities erected and constructed thereon, the costs to be incurred for relocation of the WD Plant and the waiver by Wujiang Dading for its entitlement to production cessation subsidy.

The relocation compensation shall be payable to Wujiang Dading by the Council in cash in the following manner:

- (a) 20% of which shall be settled within one month after signing of the WD Relocation Agreement;
- (b) 30% of which shall be settled within one month after Wujiang Dading has surrendered the land certificate (土地證) and property certificate (房產證) of the WD Land;
- (c) 20% of which shall be settled within one month after the Construction Permit has been obtained by the Group from the relevant authorities in the PRC;
- (d) 10% of which shall be settled within one month after construction of the roof of the New Plant has been completed by 50%;
- (e) 10% of which shall be settled within one month after construction of the roof of the New Plant has been fully completed; and
- (f) 10% of which shall be settled within one month after the Council has completed all the procedures for the deregistration of the land on which the WD Plant is located and Wujiang Dading has vacated from the WD Plant.

The relocation compensation of RMB89,200,000 (equivalent to approximately HK\$102,580,000) was determined based on arm's length negotiation between the Group and the Council after taking into factors including the estimated expenses to be incurred by the Group for the Relocation and the cost for the purchase of land and equipment and construction of the New Plant.

Completion of the relocation of the WD Plant

Pursuant to the WD Relocation Agreement, Wujiang Dading shall complete vacating the WD Land within two years after the Construction Permit is obtained and during which Wujiang Dading is not required to pay any rent for the use of such land. Pursuant to the WD Relocation Agreement, for the purpose of assisting the vacation and relocation of the WD Plant, the Council shall provide Wujiang Dading with all the necessary assistance for the relocation of the WD Plant including assisting the Group to comply with the relevant requirements in various areas, including fire safety, environmental protection, labour, etc. The WD Plant shall be relocated to the New Plant.

FINANCIAL EFFECTS OF THE DISPOSAL OF ASSETS IN THE SD PLANT AND THE WD PLANT IN RESPECT OF THE RELOCATION

On the basis of the relocation compensation of an aggregate amount of RMB660,000,000 (equivalent to approximately HK\$759,000,000) to be received, the estimated net book value of assets to be disposed of in the Relocation in the SD Plant and the WD Plant as at 31 December 2016 of approximately RMB179,068,000 (equivalent to approximately HK\$205,928,000) and approximately RMB58,118,000 (equivalent to approximately HK\$66,836,000), respectively, the gain expected to accrue to the Group as a result of the disposal of assets in the SD Plant and the WD Plant in respect of the Relocation is approximately RMB422,814,000 (equivalent to approximately HK\$486,236,000).

REASONS FOR AND BENEFITS OF THE RELOCATION

Due to the urban planning and environmental protection of WJEDZ, the Council plans to resume the SD Land and the WD Land and requested Suzhou Dazhi and Wujiang Dading to move out from the SD Land and the WD Land, respectively. After due consideration and negotiation with the Council, the Company decided to co-operate with the Council and plans to relocate the SD Plant and WD Plant. Considering that the Relocation will result in loss on the investments in the SD Plant and the WD Plant on the SD Land and the WD Land, extra costs will be incurred for the Relocation and renovation and construction of the New Plant and there may be potential loss of business as a result of the Relocation, the Group negotiated and entered into the SD Relocation Agreement and WD Relocation Agreement with the Council to compensate the Group for the possible loss and costs to be suffered or incurred.

The SD Plant and WD Plant were established more than 15 and 4 years ago, respectively. In light of the increasing demand of more advanced technology requirements in the Group's products by its customers, the Relocation provides an opportunity to the Group to upgrade the technology of its production lines in the New Plant. Hence, by centralizing and streamlining of production process in the New Plant, higher production efficiency and lower production costs could be achieved by the Group. Therefore, the Directors believe that the Relocation and entering of the SD Relocation Agreement and WD Relocation Agreement are of the interest of the Group.

As ample time has been provided for Suzhou Dazhi and Wujiang Dading to vacate from the SD Plant and WD Plant under the SD Relocation Agreement and the WD Relocation Agreement, during the transitional period before completion of the Relocation to the New Plant, the Group would scale down the operation of SD Plant and WD Plant gradually while utilizing capacity of the other production facilities of the Group, therefore the Directors believe that the Relocation would not cause any material disruption to the production and operation of the Group.

The aggregate amount of relocation compensation of RMB660,000,000 (equivalent to approximately HK\$759,000,000) is expected to be used to finance the purchase of land and equipment, construction of the New Plant and relocation of equipment with the remaining will be used as general working capital of the Group.

The Directors consider that the terms of the SD Relocation Agreement and the WD Relocation Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

INFORMATION ON THE GROUP AND THE COUNCIL

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

The Council is an organisation established by the local government of Wujiang City of Jiangsu Province to develop and manage the WJEDZ. The Directors confirmed that, to the best of their knowledge, information and belief having made all reasonable enquiry, the Council and its ultimate beneficial owner(s) are third parties independent of the Group and its connected persons.

LISTING RULES IMPLICATION

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As the relevant percentage ratio in respect of the SD Relocation Agreement and the WD Relocation Agreement on an aggregated basis is more than 5% but less than 25%, the transaction contemplated under the SD Relocation Agreement and the WD Relocation Agreement 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:

“Board”	the board of Directors
“Company”	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
“Council”	Council of Wujiang Economic Development Zone (吳江經濟技術開發區管理委員會)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Plant”	new manufacturing facility of the Group to be constructed at the parcel of land which is located at the east of Tongjin Road (同津大道), south of Dajing Road (大兢路), north of Yinjia Road (殷家路) and west of Guangming Road (光明路) at WJEDZ and of approximately 190,472 square metres in size
“PRC”	the People’s Republic of China
“Relocation”	collectively, the SD Relocation and the WD Relocation
“SD Land”	parcel of land located at 1655 North Zhongshan Road of WJEDZ and of approximately 172,609 square metres in size, where the SD Plant is located
“SD Plant”	manufacturing facility of Suzhou Dazhi located at the SD Land, which is used by Suzhou Daizhi for production of plastic and metal casings and moulds before the Suzhou Daizhi Relocation
“SD Relocation”	relocation of the SD Plant pursuant to the Suzhou Daizhi Relocation Agreement
“SD Relocation Agreement”	relocation agreement entered into between Suzhou Dazhi and the Council on 9 June 2017 in respect of the SD Relocation
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Dazhi”	Suzhou Dazhi Communication Accessory Co., Ltd., a company established in the PRC which is an indirect wholly owned subsidiary of the Company
“WD Land”	parcel of land located at the west of North Zhongshan Road, WJEDZ and of approximately 17,863 square metres in size, where the WD Plant is located
“WD Plant”	the phase I of manufacturing facility of Wujiang Dading located at the WD Land, which is used by Wujiang Dading for production of metal casings before the WD Relocation

“WD Relocation”	relocation of the WD Plant pursuant to the WD Relocation Agreement
“WD Relocation Agreement”	relocation agreement entered into between Wujiang Dading and the Council on 9 June 2017 in respect of the WD Relocation
“WJEDZ”	Wujiang Economic Development Zone (吳江經濟技術開發區) at Jiangsu Province, the PRC
“Wujiang Dading”	Wujiang Dading Precision Mould Co., Ltd., a company established in the PRC which is an indirect wholly owned subsidiary of the Company
“%”	per cent

In this announcement, amounts quoted in RMB has been converted into HK\$ at the rate of HK\$1.15 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, 9 June 2017

As at the date of this announcement, the executive Directors are Mr. Cheng Li-Yu, Mr. Chiu Hui-Chin, Mr. Huang Kuo-Kuang, Mr. Lin Feng-Chieh, 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.