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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)

**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. Upon completion of the Subscription, the interest of the Group in Wah Yuen will increase from approximately 57.62% to approximately 59.28% and Wah Yuen will continue to be a non-wholly owned subsidiary of the Company.

The Compal Group has also participated in the Subscription. Upon completion of the Subscription, the interest of the Compal Group in Wah Yuen will increase from approximately 35.60% to approximately 36.62%.

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. Since each of the percentage ratios in respect of the Group Subscription Increased Portion is less than 5%, the transaction contemplated under the Group Subscription is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 Increased Portion 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 is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**THE SUBSCRIPTION**

In May 2011, Wah Yuen has resolved to increase its issued share capital by issuing an aggregate of 103,669,915 WY Shares. Invitation for the subscription of the 103,669,915 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 have participated in the Subscription which took place on 23 November 2011, 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 have also subscribed for the remaining WY Shares which had not been taken up by the other minority shareholders of Wah Yuen on the same date.

Upon completion of the Subscription, the interest of the Group in Wah Yuen will increase from approximately 57.62% to approximately 59.28% and Wah Yuen will continue to be a non-wholly owned subsidiary of the Company.

Upon completion of the Compal Subscription, the interest of the Compal Group in Wah Yuen will increase from approximately 35.60% to approximately 36.62%.

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

Under the Subscription, Jiu De will subscribe for 64,080,895 WY Shares at the Subscription Price per WY Share for an aggregate cash consideration of US\$61,812,431, and the Compal Group will subscribe for 39,589,020 WY Shares at the Subscription Price per WY Share for an aggregate cash consideration of US\$38,187,569.

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 2010 of US\$152,771,000.

The Group Subscription Consideration has been fully paid by Jiu De in cash. Completion of the Subscription is expected to take place within 1 month from the date of this announcement. The Group Subscription Consideration of US\$61,812,431 paid by Jiu De has been settled by the internal resources of the Group. As Wah Yuen is an indirect non-wholly owned subsidiary of the Company, the Group Subscription Consideration of US\$61,812,431 paid by Jiu De would remain within the Group upon completion of the Subscription.

### **CHANGE IN SHAREHOLDING UPON THE SUBSCRIPTION**

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 of Wah Yuen (i) as at the date of this announcement; and (ii) upon completion of the Subscription:

	Number (approximate percentage) of WY Shares	
	As at the date of this announcement	Upon completion of the Subscription
The Group	91,086,610 (57.62%)	155,167,505 (59.28%)
The Compal Group	56,273,084 (35.60%)	95,862,104 (36.62%)
Other shareholders of Wah Yuen	10,728,631 (6.78%)	10,728,631 (4.10%)
<b>Total</b>	<b><u>158,088,325 (100%)</u></b>	<b><u>261,758,240 (100%)</u></b>

### **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, 158,088,325 WY Shares have been issued and were beneficially owned as to approximately 57.62% by Jiu De, approximately 35.60% by the Compal Group and approximately 6.78% by six 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.

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\$152,771,000 as at 31 December 2010. For the year ended 31 December 2010, the consolidated net profit before taxation and extraordinary items of Wah Yuen amounted to US\$10,468,000 and the consolidated net profit after taxation and extraordinary items of Wah Yuen amounted to US\$9,018,000. For the year ended 31 December 2009, the consolidated net profit before taxation and extraordinary items of Wah Yuen amounted to US\$7,358,000 and the consolidated net profit after taxation and extraordinary items of Wah Yuen amounted to US\$7,353,000.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Group has been principally engaged in the manufacturing and sale of notebook computer casings, parts and other related materials. The products of the Group also include casings for LCD TVs and digital cameras.

Since the completion of the initial investment of the Group in Wah Yuen in March 2009, Wah Yuen has shown healthy growth with orders improving steadily. As metal notebook computer casing has a higher gross margin compared to the 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 Board also considers that the adoption rate of metal parts for notebook computer casing is increasing and therefore the proceeds of the Subscription will be mainly used for acquisition of more computer numerical control (CNC) equipment in the future.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription 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 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. Since each of the percentage ratios in respect of the Group Subscription Increased Portion is less than 5%, the transaction contemplated under the Group Subscription is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 Increased Portion 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 is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors is regarded as having a material interest in the Subscription.

## DEFINITIONS

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

<b>“Board”</b>	board of Directors
<b>“Compal”</b>	Compal Electronics, Inc., a company incorporated under the laws of Taiwan
<b>“Compal Group”</b>	collectively, Compal and its subsidiaries from time to time
<b>“Compal Subscription”</b>	the subscription by the Compal Group for 39,589,020 WY Shares at the Subscription Price per WY Share for an aggregate cash consideration of US\$38,187,569 pursuant to the Subscription
<b>“Compal Subscription Increased Portion”</b>	the portion of the Compal Subscription for 2,686,701 WY Shares at the total Subscription Price of US\$2,591,592, which is in excess of those necessary to maintain the Compal Group’s percentage interest in Wah Yuen immediately before the Subscription
<b>“Company”</b>	Ju Teng International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares 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>“Group Subscription”</b>	the subscription by the Group for 64,080,895 WY Shares at the Subscription Price per WY Share for an aggregate cash consideration of US\$61,812,431 pursuant to the Subscription
<b>“Group Subscription Consideration”</b>	an aggregate cash consideration of US\$61,812,431 pursuant to the Group Subscription
<b>“Group Subscription Increased Portion”</b>	the portion of the Group Subscription for 4,348,836 WY Shares at the total Subscription Price of US\$4,194,887, which is in excess of those necessary to maintain the Group’s percentage interest in Wah Yuen immediately before the Subscription
<b>“Hong Kong”</b>	The Hong Kong Special Administrative Region of the PRC
<b>“Jiu De”</b>	Jiu De International Limited, a company incorporated in Samoa which is an indirect wholly owned subsidiary of the Company

“ <b>Listing Rules</b> ”	Rules Governing the Listing of Securities on the Stock Exchange
“ <b>PRC</b> ”	the People’s Republic of China
“ <b>Shareholder(s)</b> ”	shareholder(s) of the Company
“ <b>Stock Exchange</b> ”	The Stock Exchange of Hong Kong Limited
“ <b>Subscription</b> ”	collectively, the Compal Subscription and the Group Subscription
“ <b>Subscription Price</b> ”	the subscription price of US\$0.9646 per WY Share
“ <b>US\$</b> ”	United States dollars, the lawful currency of the United States of America
“ <b>Wah Yuen</b> ”	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
“ <b>WY Share(s)</b> ”	the ordinary share(s) of Wah Yuen
“ <b>%</b> ”	per cent.

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

Hong Kong, 25 November 2011

*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.*