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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  
CONSTRUCTION OF SECOND PHASE PRODUCTION BASE**

Reference is made to the announcement of the Company dated 27 April 2012 in relation to the construction of the First Phase Production Base pursuant to the First Phase Construction Agreement. On 7 May 2012, Neijiang Ju Teng entered into the Second Phase Construction Agreement with the Contractor, pursuant to which the Contractor has agreed to survey, design and construct the Second Phase Production Base and repair the defect of the Construction and/or the Second Phase Production Base (if any) during the Warranty Period. The Second Phase Production Base shall be used by Neijiang Ju Teng for the production of notebook computer casings.

Since the applicable percentage ratio is more than 5% but less than 25%, the transaction contemplated under the Second Phase Construction Agreement constitutes a discloseable transaction under the Listing Rules.

**INTRODUCTION**

The Board announces that on 7 May 2012, Neijiang Ju Teng entered into the Second Phase Construction Agreement with the Contractor, pursuant to which the Contractor has agreed to survey, design and construct the Second Phase Production Base and repair the defect of the Construction and/or the Second Phase Production Base (if any) during the Warranty Period. The Second Phase Production Base shall be used by Neijiang Ju Teng for the production of notebook computer casings.

**THE SECOND PHASE CONSTRUCTION AGREEMENT DATED 7 MAY 2012**

**Parties**

- (i) Neijiang Ju Teng; and
- (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 are third parties independent of the Group and its connected persons.

## **Consideration**

The sum of the Consideration payable by Neijiang Ju Teng shall be approximately RMB137.24 million, being the aggregate amount of the Surveying Fee, the Design Fee and the Construction Fee.

The Consideration shall be payable to the Contractor by Neijiang Ju Teng in cash in the following manner:

- (i) The Deposit shall be payable within 15 days of signing of the Second Phase Construction Agreement;
- (ii) The Surveying Fee shall be payable upon completion and issue of the geological surveying report by the Contractor;
- (iii) The Design Fee shall be payable in the following manner:
  - (a) 50% thereof shall be payable upon completion of the initial design of the Construction;
  - (b) 40% thereof shall be payable upon completion of the final design which has passed the relevant technical requirement and has been approved by the relevant body of the PRC government; and
  - (c) the remaining 10% thereof shall be payable upon completion of the Construction and the acceptance by Neijiang Ju Teng thereof upon its inspection;
- (iv) The remaining Consideration shall be payable by Neijiang Ju Teng and/or received by the Contractor in the following manner:
  - (a) the percentage of such part of the Net Construction Fee representing the stage of progress of the Construction shall be payable by Neijiang Ju Teng within 15 days upon receipt of the construction progress report from the Contractor and confirmation by Neijiang Ju Teng of such progress; and
  - (b) approximately RMB4.12 million, being the remaining 3% of the Consideration, which is being kept by the Supervisor as the Quality Assurance Fund, shall be released by the Supervisor to the Contractor upon expiry of the Warranty Period.

The Consideration shall not include the water and electricity expenses to be incurred during the Construction which shall be borne by Neijiang Ju Teng.

The Consideration was determined based on the construction area of the Second Phase Production Base. Pursuant to the Second Phase Construction Agreement, no adjustment shall be made to the Consideration if there is any increase or decrease of fee due to any change of construction area and/or construction procedure within 5% of the Construction Fee.

## **INFORMATION ON THE PARTIES**

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

The Contractor is a limited company in the PRC principally engaged in the business of design, surveying and construction of building.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SECOND PHASE CONSTRUCTION AGREEMENT**

The Second Phase Production Base is constructed further to the construction of the First Phase Production Base. Both the First Phase Production Base and Second Phase Production Base are situated at the Land which is located at Sichuan Province. The Construction is in line with the strategic move of the Group to reduce labour costs by employing workers in Western China to reduce the tension of labour shortages and increasing labour costs in coastal cities. In addition, the Group will be able to enjoy certain subsidy policies of the PRC government. It is expected that the Second Phase Production Base will have an annual production capacity of approximately one million units.

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

## **LISTING RULES IMPLICATION**

Since the applicable percentage ratio is more than 5% but less than 25%, the transaction contemplated under the Second Phase Construction Agreement constitutes a discloseable transaction under the Listing Rules.

## **DEFINITIONS**

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

<b>“Board”</b>	the board of Directors
<b>“Company”</b>	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
<b>“Consideration”</b>	approximately RMB137.24 million, which shall include the Surveying Fee, Design Fee and Construction Fee and applicable tax, being the consideration payable by Neijiang Ju Teng to the Contractor under the Second Phase Construction Agreement
<b>“Construction”</b>	construction of the Second Phase Production Base
<b>“Construction Fee”</b>	RMB134.53 million, being the construction fee for the Construction

<b>“Contractor”</b>	China Architecture Xi’nan Surveying and Design Institute Limited (中國建築西南勘察設計研究院有限公司)
<b>“Deposit”</b>	approximately RMB13.45 million, being the deposit of the Construction Fee, which shall be used by the Contractor for the purchase of construction materials, facilities and other expenses in relation to the Construction, pursuant to the Second Phase Construction Agreement
<b>“Design Fee”</b>	approximately RMB1.81 million, being the design fee for the Construction
<b>“Director(s)”</b>	director(s) of the Company
<b>“First Phase Construction Agreement”</b>	the construction agreement entered into between Neijiang Ju Teng and the Contractor on 27 February 2011 in respect of the construction of the First Phase Production Base and the ancillary documents pursuant to the First Phase Construction Agreement
<b>“First Phase Production Base”</b>	the first phase production base to be surveyed, designed and constructed by the Constructor for Neijiang Ju Teng at the Land with a total construction area of 232,635.97 square metres pursuant to the First Phase Construction Agreement
<b>“Group”</b>	the Company and its subsidiaries
<b>“Land”</b>	a parcel of land located at 1 Juteng Road, Chengxi Industrial Park, Neijiang, Sichuan Province, PRC
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Neijiang Ju Teng”</b>	Ju Teng (Neijiang) Communication Accessory Co., Ltd., a wholly foreign owned enterprise established in the PRC which is an indirect wholly owned subsidiary of the Company
<b>“Net Construction Fee”</b>	the Construction Fee after deduction of the Deposit
<b>“PRC”</b>	the People’s Republic of China
<b>“Quality Assurance Fund”</b>	approximately RMB4.12 million, which shall be deducted by the Supervisor from the Net Construction Fee paid by Neijiang Ju Teng starting from the first instalment of the Net Construction Fee payable until the aggregate sum deducted amounted to 3% of the Consideration
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Second Phase Construction Agreement”</b>	the construction agreement entered into between Neijiang Ju Teng and the Contractor on 7 May 2012 in respect of the Construction and the ancillary documents pursuant to the Second Phase Construction Agreement

<b>“Second Phase Production Base”</b>	the second phase production base to be surveyed, designed and constructed by the Constructor for Neijiang Ju Teng at the Land with a total construction area of 90,339.95 square metres pursuant to the Second Phase Construction Agreement
<b>“Shareholder(s)”</b>	shareholder(s) of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Supervisor”</b>	supervisor of the Construction appointed by Neijiang Ju Teng pursuant to the Second Phase Construction Agreement with the Contractor’s assistance in such appointment
<b>“Surveying Fee”</b>	approximately RMB0.90 million , being the surveying fee for the Construction
<b>“Warranty Period”</b>	a period of one year starting from the completion of the Construction and acceptance by Neijiang Ju Teng upon inspection, during which the Contractor shall repair the defect of the Construction and/or the Second Phase Production Base (if any) at the expense of the party to the Second Phase Construction Agreement which causes such defect
<b>“%”</b>	per cent.

By order of the Board  
**Ju Teng International Holdings Limited**  
**Tsui Yung Kwok**  
*Company Secretary*

Hong Kong, 7 May 2012

*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.*