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JU TENG INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3336)

- (1) EXTENSION OF MASTER SALES AGREEMENT WITH WISTRON GROUP**
- (2) MASTER SALES AGREEMENT WITH COMPAL GROUP**
- (3) REFRESHMENT OF THE EXISTING LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME**
- (4) AMENDMENTS TO THE SHARE AWARD PLAN RULES**

A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders in relation to the Wistron CCT, the Compal CCT and their related annual caps is set out on pages 18 to 19 of this circular. A letter from Optima Capital containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Wistron CCT, the Compal CCT and their related annual caps is set out on pages 20 to 30 of this circular.

A notice convening the EGM to be held at La Maison de I' Orient – VIP room 6, 1/F, Cosmopolitan Hotel, 387-397 Queen's Road East, Wan Chai, Hong Kong at 3:00 p.m. on 26 February 2009 is set out on pages 38 to 41 of this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

10 February 2009

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DEFINITIONS

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

“Acquisition”	the acquisition of shares in Wah Yuen under the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement entered into between Compal and the Company on 28 October 2008
“Award(s)”	award(s) of Shares by the Board pursuant to the Share Award Plan
“Board”	the board of Directors
“Compal”	Compal Electronics, Inc., a company incorporated under the laws of Taiwan
“Compal CCT”	the continuing connected transactions in relation to the sales of the Products by the Group to Compal and the other members of the Compal Group, details of which are set out in the section headed “Master sales agreement with Compal Group” in the letter from the Board as set out in this circular
“Compal Group”	collectively, Compal and its subsidiaries from time to time
“Compal Master Sales Agreement”	the master sales agreement dated 1 January 2009 and entered into between Giant Glory (for itself and on behalf of other members of the Group) and Compal and three of its subsidiaries (for themselves and on behalf of other members of the Compal Group) in relation to the Compal CCT for the term commenced from 1 January 2009 and ending 31 December 2011
“Company”	Ju Teng International Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at La Maison de l’ Orient – VIP room 6, 1/F, Cosmopolitan Hotel, 387-397 Queen’s Road East, Wan Chai, Hong Kong on 26 February 2009, the notice of which is set out on pages 38 to 41 of this circular, and any adjournment thereof

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“Existing Scheme Limit”	the maximum number of Shares which may be issued upon exercise of all options granted/to be granted under the Share Option Scheme, being 10% of the issued share capital of the Company as at 3 November 2005, being the date on which the dealings in the Shares first commenced on the Stock Exchange
“Giant Glory”	Giant Glory International Limited, a company incorporated under the laws of Samoa and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	a board committee, comprising Mr. Cherng Chia-Jiun, Mr. Tsai Wen-Yu and Mr. Yip Wai Ming, being all independent non-executive Directors, established to advise the Independent Shareholders in respect of the Wistron CCT, the Compal CCT and their related annual caps
“Independent Shareholder(s)”	any shareholder of the Company that is not required to abstain from voting at the EGM to approve the Wistron CCT or, as the case may be, the Compal CCT, and their related annual caps, as more particularly described in the section headed “EGM” in the letter from the Board as set out in this circular
“Independent Third Party(ies)”	third party or parties and who and whose ultimate beneficial owner(s) are independent of the Group and connected persons (as defined under the Listing Rules) of the Group
“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Latest Practicable Date”	6 February 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“New Wistron Master Sales Agreement”	the master sales agreement signed on 23 January 2009 (dated as of 31 December 2008) and entered into between Giant Glory (for itself and on behalf of other members of the Group) and Wistron (for itself and on behalf of other members of the Wistron Group) in relation to the Wistron CCT for the term commenced from 1 January 2009 and ending 31 December 2011
“Optima Capital”	Optima Capital Limited, a corporation licensed under the SFO to engage in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate Finance) regulated activities and the independent financial adviser appointed by the Board and approved by the Independent Board Committee
“Participants”	any employee (whether full time or part time including any executive director but excluding any non-executive director) and non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity, any suppliers of goods or services to any member of the Group or any Invested Entity, any customers of the Group or any Invested Entity, any person or entity that provides research, development or other technological support to the Group or any Invested Entity, any shareholders or holders of any securities of any member of the Group or any Invested Entity, any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity, and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliances or other business arrangement to the development and growth of the Group
“Plan Rules”	the rules of the Share Award Plan, as amended from time to time
“Pre-IPO Share Option Scheme”	the pre-listing share option scheme adopted by the Company on 17 June 2005
“Previous Wistron Master Sales Agreement”	the master sales agreement dated 27 March 2006 and entered into between Giant Glory (for itself and on behalf of other members of the Group) and Wistron (for itself and on behalf of other members of the Wistron Group) in relation to the sales of the Products by the Group to the Wistron Group
“Products”	casings for electronic products and related materials manufactured and/or supplied by the Group

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Award Plan”	the share award plan adopted by written resolutions of the Shareholders on 17 June 2005
“Share Option Scheme”	the share option scheme adopted by the Company on 6 October 2005
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of shares in Wah Yuen under the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between Wah Yuen and the Company on 28 October 2008
“Trustee”	the trustee of the Share Award Plan
“Wah Yuen”	Wah Yuen Technology Holding Ltd., a company incorporated in Mauritius which will be owned as to 53.4% by the Group and as to 31.5% by the Compal Group immediately after completion of the Subscription and the Acquisition
“Wistron”	Wistron Corporation, a company incorporated in Taiwan and a substantial shareholder of Mindforce Holdings Limited, a 71%-owned indirect subsidiary of the Company
“Wistron CCT”	the continuing connected transactions in relation to the sales of the Products by the Group to the Wistron Group, details of which are set out in the section headed “Extension of master sales agreement with Wistron Group” in the letter from the Board as set out in this circular
“Wistron Group”	collectively, Wistron and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

LETTER FROM THE BOARD



JU TENG INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3336)

Executive Directors:

Mr. Cheng Li-Yu
Mr. Cheng Li-Yen
Mr. Huang Kuo-Kuang
Mr. Hsieh Wan-Fu
Mr. Lo Jung-Te
Mr. Tsui Yung Kwok

Independent non-executive Directors:

Mr. Cherng Chia-Jiun
Mr. Tsai Wen-Yu
Mr. Yip Wai Ming

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Suites 3311-3312
Jardine House
1 Connaught Place
Central
Hong Kong

10 February 2009

To the Shareholders

Dear Sir or Madam,

- (1) EXTENSION OF MASTER SALES AGREEMENT WITH WISTRON GROUP**
- (2) MASTER SALES AGREEMENT WITH COMPAL GROUP**
- (3) REFRESHMENT OF THE EXISTING LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME**
- (4) AMENDMENTS TO THE SHARE AWARD PLAN RULES**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the EGM to approve (a) the Wistron CCT under the New Wistron Master Sales Agreement and the related annual caps; (b) the Compal CCT under the Compal Master Sales Agreement and the related annual caps; (c) the proposed refreshment of the Existing Scheme Limit; and (d) the proposed amendments to the Plan Rules.

LETTER FROM THE BOARD

2. EXTENSION OF MASTER SALES AGREEMENT WITH WISTRON GROUP

Background

Reference is made to the announcements of the Company dated 27 March 2006, 28 September 2006, 23 October 2007 and 2 February 2009. During each of the three years ended 31 December 2008, the sale of the Products by the Group to the Wistron Group amounted to approximately HK\$707 million, HK\$1,188 million and HK\$2,215 million (based on the unaudited management accounts of the Group for the year ended 31 December 2008), respectively.

Pursuant to the Previous Wistron Master Sales Agreement, the Group has been selling the Products to the Wistron Group on an on-going basis. The Previous Wistron Master Sales Agreement has expired on 31 December 2008 pursuant to its terms.

The continuing connected transactions under the Previous Wistron Master Sales Agreement continued after the expiry of the Previous Wistron Master Sales Agreement on 31 December 2008. It is estimated that the annual consideration receivable from the Wistron Group for the sale of the Products for the rest of 2009 would exceed HK\$10 million and that the applicable percentage ratios would be more than 2.5%. Therefore, on 23 January 2009, Wistron (for itself and on behalf of the other members of the Wistron Group) entered into the New Wistron Master Sales Agreement with Giant Glory (for itself and on behalf of the members of the Group) to ensure continual supply of the Products by the Group to the Wistron Group after the expiry of the terms of the Previous Wistron Master Sales Agreement.

Principal terms of the New Wistron Master Sales Agreement

Pursuant to the New Wistron Master Sales Agreement, the Group agreed to sell the Products to the Wistron Group at prices to be determined from time to time by the parties with reference to the market prices and on normal commercial terms. The price of the Products shall be payable by the Wistron Group to the Group in arrears on 120 days' credit period by transferring to the Group's bank account. The New Wistron Master Sales Agreement has a term of three years commenced from 1 January 2009 and ending 31 December 2011, unless terminated earlier by 30 days' written notice by either party.

The terms of the New Wistron Master Sales Agreement were arrived at after arm's length negotiation between the Group and the Wistron Group and are fair and reasonable so far as the Group and Shareholders are concerned.

Existing caps and annual caps for the three years ending 31 December 2011

For each of the three years ended 31 December 2008, the annual caps under the Previous Wistron Master Sales Agreement were HK\$780 million, HK\$1,720 million and HK\$2,800 million, respectively. The Directors expect that the annual caps of the Wistron CCT for each of the three years ending 31 December 2011 will be HK\$2,878 million, and HK\$3,455 million and HK\$4,150 million, respectively.

LETTER FROM THE BOARD

The expected annual caps for each of the three years ending 31 December 2011 are determined by the Company based on the following major factors:

1. the amount of sales of the Products by the Group to the Wistron Group for each of the three years ended 31 December 2008;
2. the pattern for the sales of the Products to the Wistron Group for each of the three years ended 31 December 2008;
3. existing purchase orders on hand from the Wistron Group; and
4. expected business growth of the Wistron Group in the coming three years after taking into consideration of the growth of worldwide notebook computer industry and additional purchase orders to the Wistron Group from its customers.

In the event that the aggregate consideration receivable by the Group under the New Wistron Master Sales Agreement exceeds the respective annual caps for each of the three years ending 31 December 2011, the Company will comply with all the relevant requirements of Chapter 14A of the Listing Rules.

Reasons for the transactions and the New Wistron Master Sales Agreement

The Group has been principally engaged in the manufacturing and sale of notebook computer castings, parts and other related materials. Giant Glory is principally engaged in the sales of notebook computer casings and trading of production materials for notebook computer casings. The products of the Group also include castings for LCD PCs, digital cameras and game consoles. Wistron is a listed company in Taiwan and the Wistron Group is principally engaged in the design and manufacturing of products of information and communication technology and the provision of related services.

As those Products sold by the Group to Wistron and other members of the Wistron Group are principally parts and components of notebook computer casings which are manufactured by using the metallic stamping moulds and plastic injection moulds solely owned by the Group, Wistron and other members of the Wistron Group can purchase such designated parts and components of these notebook computer casings from the Group only. The Directors consider that the Group will benefit from the continuing connected transactions under the New Wistron Master Sales Agreement for the further enhancement of the Group's sales portfolio.

The Directors are of the view that the expected annual caps of the Wistron CCT for each of the three years ending 31 December 2011 are fair and reasonable, and the terms of the New Wistron Master Sales Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Requirements under the Listing Rules

As Wistron is a substantial shareholder of Mindforce Holdings Limited, a 71%-owned indirect subsidiary of the Company, holding 29% of its issued share capital, Wistron is a connected person of the Company, the Wistron CCT under the New Wistron Master Sales Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the expected annual caps for the Wistron CCT under the New Wistron Master Sales Agreement for each of the three years ending 31 December 2011 are expected to exceed 2.5% and the annual consideration receivable from the Wistron Group in respect of the Wistron CCT is expected to exceed HK\$10 million, the Wistron CCT under the New Wistron Master Sales Agreement constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules and such transactions are subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will ensure that the aggregate consideration for the Wistron CCT from 1 January 2009 to the date of EGM will be less than 2.5% of all applicable percentage ratios.

3. MASTER SALES AGREEMENT WITH COMPAL GROUP

Background

Compal Group is one of the Group's customers and the Group has been selling the Products to Compal Group since 2003. For each of the three years ended 31 December 2008, the sales by the Group to Compal Group amounted to approximately HK\$507 million, HK\$713 million and HK\$746 million (based on the unaudited management accounts of the Group for the year ended 31 December 2008) respectively. The sales by the Group to Compal Group were on normal commercial terms and no more favourable than those available to Independent Third Party.

As announced in the Company's announcement dated 29 October 2008, on 28 October 2008, the Group entered into the Subscription Agreement with Wah Yuen for the subscription of shares in, and the Acquisition Agreement with Compal for the acquisition of shares in, Wah Yuen. Immediately upon completion of the Subscription and the Acquisition, Wah Yuen will become a non-wholly owned subsidiary of the Company and will be owned as to 53.4% by the Group and 31.5% by the Compal Group. Compal will become a substantial shareholder of the Company's subsidiary and therefore, will become a connected person of the Company under the Listing Rules.

LETTER FROM THE BOARD

Upon completion of the Subscription and the Acquisition, the sale of the Products to Compal Group by the Group will constitute continuing connected transactions for the Company under the Listing Rules. As the Compal CCT form part of the usual and ordinary course of business of the Group, the Directors expected that the sales to Compal Group would continue. Pursuant to the Subscription Agreement, the completion of the Subscription is conditional on the approval of the Compal CCT by Independent Shareholders.

The Group therefore entered into the Compal Master Sales Agreement with Compal and three of its subsidiaries (for themselves and on behalf of the other members of the Compal Group) for a period from 1 January 2009 to 31 December 2011.

Principal terms of the Compal Master Sales Agreement

Date : 1 January 2009

Parties : Giant Glory (for itself and on behalf of the other members of the Group),
as supplier

Compal and three of its subsidiaries (for themselves and on behalf of the other members of the Compal Group), as purchaser

Pursuant to the Compal Master Sales Agreement, the Group agreed to sell the Products to Compal or other members of the Compal Group at prices to be determined from time to time by the Group and Compal (for itself and on behalf of the other members of the Compal Group) with reference to the market prices and on normal and usual commercial terms. The price of the Products shall be payable by the Compal Group to the Group in arrears on 120 days' credit period by transferring to the Group's bank account. The Compal Master Sales Agreement is for a period from 1 January 2009 to 31 December 2011 unless terminated earlier according to the terms and conditions of the Compal Master Sales Agreement.

The terms of the Compal Master Sales Agreement were arrived at after arm's length negotiation between the Group and Compal Group and are fair and reasonable so far as the Group and the Shareholders are concerned.

Annual caps

The annual caps for the consideration receivable by the Group from Compal Group for the sales of the Products under the Compal Master Sales Agreement are expected to be (i) HK\$1,498 million for the year ending 31 December 2009; (ii) HK\$2,168 million for the year ending 31 December 2010; and (iii) HK\$2,824 million for the year ending 31 December 2011.

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The expected annual caps for each of the three years ending 31 December 2011 are determined by the Company based on the following factors:

- (i) the historical sales of the Products to Compal and other members of the Compal Group;
- (ii) orders under negotiation and pending confirmation from Compal Group; and
- (iii) expected business growth of the Compal Group in the coming three years after taking into consideration of the growth of worldwide notebook computer industry and additional purchase orders to the Compal Group from its customers.

In the event that the aggregate consideration receivable by the Group under the Compal Master Sales Agreement exceeds the respective annual caps for each of the three years ending 31 December 2011, the Company will comply with all the relevant requirements of Chapter 14A of the Listing Rules.

Reasons for the transactions and the Compal Master Sales Agreement

Compal is a listed company in Taiwan. Compal and its subsidiaries are Independent Third Parties prior to the completion of the Subscription. Compal and the other members of the Compal Group are principally engaged in the design and manufacturing of products of information and communication technology and the provision of related services.

As those Products sold by the Group to Compal and other members of the Compal Group are principally parts and components of notebook computer casings which are manufactured by using the metallic stamping moulds and plastic injection moulds solely owned by the Group, Compal and other members of the Compal Group can purchase such designated parts and components of these notebook computer casings from the Group only.

Having regard to the expected growth in demand for notebook computers, the Directors consider that the Group will benefit from the Compal CCT and the Compal Master Sales Agreement for the further enhancement of the Group's client portfolio.

The Directors are of the view that the expected annual caps of the Compal CCT for each of the three years ending 31 December 2011 are fair and reasonable, and the terms of the Compal Master Sales Agreement are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

Requirements under the Listing Rules

Since the applicable percentage ratios for the expected annual caps for the Compal CCT under the Compal Master Sales Agreement for the three years ending 31 December 2011 are expected to exceed 2.5% and the annual consideration receivable from Compal Group in respect of the Compal CCT is expected to exceed HK\$10 million, the Compal CCT under the Compal Master Sales Agreement constitute non-exempt continuing connected transactions of the Company and such transactions and the annual caps are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

4. REFRESHMENT OF THE EXISTING LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

Pursuant to the written resolution of all Shareholders passed on 6 October 2005, the Share Option Scheme was adopted. The purpose of the Share Option Scheme is to provide Participants with the opportunity to acquire equity interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and the Shareholders as a whole.

Pursuant to Chapter 17 of the Listing Rules, the total number of securities which may be issued upon exercise of all options to be granted under a share option scheme and any other schemes of a listed issuer must not in aggregate exceed 10% of the relevant class of securities of the listed issuer in issue as at the date of approval of the scheme. The listed issuer may seek approval by its shareholders in general meeting for “refreshing” the 10% limit under the scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer under the limit as “refreshed” must not exceed 10% of the relevant class of securities in issue as at the date of approval of the refreshed limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”. The Listing Rules also provide that the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer in issue from time to time.

Pursuant to the Existing Scheme Limit, the Directors may grant options not exceeding 100,000,000 Shares, representing 10% of the issued share capital of the Company as at 3 November 2005, being the date on which the dealings in the Shares first commence on the Stock Exchange. As at the Latest Practicable Date, options carrying the rights to subscribe for 100,000,000 Shares have been granted to the grantees under the Share Option Scheme and Pre-IPO Share Option Scheme, none of such options have been exercised, and 3,406,000 of such options have lapsed. As at the Latest Practicable Date, 96,594,000 options remained outstanding (representing approximately 96.6% of the Existing Scheme Limit). Accordingly, the Directors can only grant further options carrying the rights to subscribe for 3,406,000 Shares (representing approximately 3.4% of the Existing Scheme Limit) under the Existing Scheme Limit.

The Directors consider that the Company should refresh the Existing Scheme Limit so that the Company could have more flexibility to provide incentives to the Participants by way of granting share options to them. If the refreshment of the Existing Scheme Limit is approved at the EGM, based on the 1,000,000,000 Shares in issue as at the Latest Practicable Date and assuming that the issued share capital of the Company remains unchanged on the date of the EGM, the Company will be allowed under the “refreshed limit” to grant options carrying the rights to subscribe for up to a total of 100,000,000 Shares, representing 10% of the issued share capital of the Company as at the EGM.

LETTER FROM THE BOARD

Apart from the Share Option Scheme and the Pre-IPO Share Option Scheme, the Company has no other share option scheme currently in force.

None of the grantees has been granted with options which exceed the limit of 1% of the issued share capital of the Company in the 12 months period up to and including the respective dates of grant as set out in Rule 17.03(4) of the Listing Rules.

As at the Latest Practicable Date, the total number of Shares which may fall to be issued upon the exercise of all outstanding options under the Share Option Scheme and the Pre-IPO Share Option Scheme is 96,594,000, representing approximately 96.6% of the Shares in issue as at Latest Practicable Date. If the refreshment of the Existing Scheme Limit is approved at the EGM, the existing outstanding options of the Company and the options to be granted under the “refreshed limit” will not exceed 30% of the issued share capital of the Company.

The Directors consider that the refreshment of the Existing Scheme Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other Participants under the Share Option Scheme.

The refreshment of the Existing Scheme Limit is conditional upon:

- (i) the passing of an ordinary resolution at the EGM to approve the said refreshment; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the Share Option Scheme up to 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the EGM.

Application will be made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the Share Option Scheme up to 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the EGM.

5. AMENDMENTS TO THE SHARE AWARD PLAN RULES

The Share Award Plan was adopted by written resolutions of the Shareholders on 17 June 2005. The purpose of the Share Award Plan is to recognise and reward the contribution of certain employees to the growth and development of the Group through an award of Shares.

Under the Share Award Plan, the Trustee shall maintain a pool of Shares (“**Shares Pool**”) registered under its name during the continuance of the Share Award Plan and the relevant trust deed for satisfaction of Awards.

LETTER FROM THE BOARD

Pursuant to the current Plan Rules, in the event the Shares under the Shares Pool (after deducting the number of Shares set aside pursuant to the Awards already made and outstanding) are insufficient for the purposes of satisfying any further Awards, the Company shall first seek separate Shareholders' approval in general meeting to authorize the Directors to allot and issue new Shares at par to the Trustee and obtain approval from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in such new Shares. If (and only if) the conditions abovementioned could not be met, the Trustee may purchase Shares on the Stock Exchange to satisfy any actual or contingent shortfall of Shares for any Award.

Under the current Plan Rules, the Plan Rules may be altered by a resolution of the Directors together with the prior consent of the Trustee. The proposed amendments to the Plan Rules have been approved by the Board and will be put forward for Shareholders' approval at the EGM. Bank of East Asia (Trustees) Limited, being the current Trustee, has already given its consent to the proposed amendments to the Plan Rules as set out below.

Proposed amendments to the Plan Rules

Three principal amendments are proposed to be made to the existing Plan Rules:

- (a) *Purchase of Shares on the Stock Exchange for the purpose of increasing the number of Shares in the Share Pool*

It is proposed that under the amended Plan Rules, the Board may, in addition to the purchase of Shares for satisfaction of outstanding Awards from time to time made under the Share Award Plan, instruct the Trustee to effect purchase of Shares on the Stock Exchange to increase the number of Shares in the Shares Pool at any time the Directors consider appropriate, whether or not there is any outstanding Award or whether any Award has been made at the relevant time.

- (b) *Purchase of Shares on the Stock Exchange without first seeking Shareholders' approval for allotment of new Shares and listing approval thereof*

It is proposed that under the amended Plan Rules, if the Board shall any time consider it appropriate, it may instruct the Trustee to effect purchase of Shares on the Stock Exchange without first seeking separate Shareholders' approval in general meeting for allotment and issue of new Shares and obtaining approval from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, such new Shares. As such, under the amended Plan Rules, in the event that the aggregate number of Shares held by the Trustee in the Shares Pool, after deducting the number of Awarded Shares set aside pursuant to the Awards made and outstanding, is insufficient for satisfying any further Awards to be made under the Share Award Plan, the Company may be at liberty to choose to satisfy such Awards by either an allotment and issue of new Shares, or a purchase of existing Shares on the Stock Exchange in accordance with the Plan Rules.

LETTER FROM THE BOARD

Notwithstanding the proposed amendments above, under the Plan Rules, in respect of any Award proposed to be made to a connected person of the Company, the Company will comply with Chapter 14A of the Listing Rules (i) if such Award shall be satisfied by an allotment and issue of new Shares (and not from the Shares Pool); or (ii) in respect of any allocation of funds by the Company to the Trustee for such purpose if the Award shall be satisfied by purchasing the relevant number of Shares on the Stock Exchange.

(c) Amendment to the Plan Rules

Under the current Plan Rules, the Plan Rules may be altered by a resolution of the Directors together with the prior consent of the Trustee. It is proposed that under the amended Plan Rules, the rules may be altered by the prior sanction of a resolution of the Shareholders in general meeting with the prior consent of the Trustee.

The exact terms of the proposed amendments to the Plan Rules are set out below:

- (i) by deleting the first sentence of paragraph 3.6(a) of the Plan Rules in its entirety and replacing it with the following:

“an Award or, as the case may be, any instruction of the Directors to the Trustee to acquire Shares may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in accordance with the Listing Rules.”

- (ii) by deleting paragraph 4.3 of the Plan Rules in its entirety and replacing it with the following:

“4.3 The Directors shall procure that adequate funds are paid out of the Company’s resources to the Trustee to enable to Trustee to subscribe for or, as the case may be, purchase the appropriate number of Shares as referred to in paragraph 4.2 in order to satisfy the outstanding Awards from time to time made under this Plan or, as the case may be, to increase the number of Shares in the Shares Pool as decided by the Directors pursuant to paragraph 4.4, provided that the amount of funds to be allocated by the Company to the Trustee for the purpose of subscribing for or, as the case may be, purchasing any Shares pursuant to paragraphs 4.2 or 4.4 in any given financial year shall not exceed 5% of the consolidated profit before tax of the Company as shown in the audited financial statements of the immediate preceding year.”

LETTER FROM THE BOARD

- (iii) by deleting the second sentence of paragraph 4.4 of the Plan Rules in its entirety and replacing it with the following:

“If the conditions referred to in paragraphs 4.2(a) and (b) are not satisfied or, in the event that the Directors shall at any time consider it appropriate to effect purchase of Shares on the Stock Exchange regardless of whether or not there is any outstanding Award or whether any Award has been made at the relevant time, the Directors shall notify and instruct the Trustee to effect the purchase of the appropriate number of Shares as referred to in paragraph 4.2(c) or such number of Shares as considered to be desirable by the Directors for the purpose of increasing the number of Shares in the Shares Pool and, subject to paragraphs 4.3 and 4.5, the Trustee shall within a period of ten (10) Business Days on which the Shares are traded (and not suspended from trading) on the Stock Exchange (or such longer period as may be agreed between the Directors and the Trustee in writing) after actual receipt of such instruction make the purchases from the Stock Exchange.”

- (iv) by deleting the first sentence of paragraph 4.5 of the Plan Rules in its entirety and replacing it with the following:

“If any proposed subscription for or, as the case may be, purchase of Shares under paragraph 4.4 shall fall on any day on which the Directors are restricted from making any Award or giving any instruction as referred to in paragraph 3.6(a), the Trustee shall not effect the relevant subscription and/or purchase.”

- (v) by inserting the words “or, as the case may be, to increase the number of Shares in the Shares Pool as decided by the Directors pursuant to paragraph 4.4” immediately before the wordings “; and” in paragraph 4.6(a) of the Plan Rules; and

- (vi) by deleting the words “a resolution of the Directors” in the first sentence of paragraph 10 of the Plan Rules and replacing it with “the prior sanction of a resolution of the shareholders of the Company in general meeting”.

Save as set out above, all other provisions of the Share Award Plan remain unchanged. A copy of the Share Award Plan (with the proposed amendments) is available for inspection at the office of the Company at Suites 3311-3312, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of the EGM and at the EGM.

LETTER FROM THE BOARD

Reason for the proposed amendments

The Directors had recently reviewed the terms of the Share Award Plan and noted that under the current Plan Rules, if the Shares in the Shares Pool are insufficient to satisfy any outstanding Award, the Company would first need to seek Shareholders' approval for allotment of new Shares, before resorting to purchase of Shares on the Stock Exchange. The Directors consider that such requirement is time and cost consuming and any allotment of new Shares would inevitably result in the dilution of the shareholding interest of existing Shareholders. Besides, under the current Plan Rules, the Trustee may only purchase Shares on the market as and when after Awards have been made, which restrict the Trustee from increasing the number of Shares in the Share Pool for satisfying future Awards by purchasing Shares on the market as and when the Board considers appropriate, especially when the Shares are trading at prices which the Directors believe do not reflect the intrinsic value of the Company. The Directors believe that the proposed amendments could provide flexibility to the Board, so that it may instruct the Trustee to increase the number of Shares in the Shares Pool at any time by purchasing Shares on the market at appropriate time and market price to cater for any further Awards without having to go through the time and cost consuming Shareholders' approval procedures for allotment of new Shares. The purchase of Shares from the Stock Exchange, as an alternative to allotment and issue of new Shares, could also reduce the dilution effect on shareholdings of existing Shareholders resulting from such allotment.

The Directors consider that Shareholders' rights will be better protected for the adoption of Shareholders' approval requirement for future amendments to the Plan Rules.

6. EGM

The Company will convene the EGM at La Maison de l' Orient – VIP room 6, 1/F, Cosmopolitan Hotel, 387-397 Queen's Road East, Wan Chai, Hong Kong, on 26 February 2009 at 3:00 p.m. to consider and, if thought fit, approve (a) the Wistron CCT under the New Wistron Master Sales Agreement and the related annual caps; (b) the Compal CCT under the Compal Master Sales Agreement and the related annual caps; (c) the proposed refreshment of the Existing Scheme Limit; and (d) the proposed amendments to the Plan Rules. A notice of the EGM is set out on pages 38 to 41 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions to be proposed at the EGM will be taken by poll, the results of which will be announced after the EGM.

Wistron and its associates, and any Shareholders who are materially interested in the Wistron CCT under the New Wistron Master Sales Agreement and its associates, are required to abstain from voting on the resolution proposed to be passed at the EGM for approving the Wistron CCT under the New Wistron Master Sales Agreement and the expected annual caps.

Compal and its associates, and any Shareholders who are materially interested in the Compal CCT under the Compal Master Sales Agreement and its associates, are required to abstain from voting on the resolution proposed to be passed at the EGM for approving the Compal CCT under the Compal Master Sales Agreement and the expected annual caps.

LETTER FROM THE BOARD

To the best knowledge of the Directors after making all reasonable enquiries, as at the Latest Practicable Date, none of Wistron and its respective associates held any Shares, and Compal and its associates held an aggregate of 22,668,000 Shares, representing approximately 2.27% of the entire issued share capital of the Company as at the Latest Practicable Date.

A form of proxy for use at the EGM is also enclosed. If you are unable to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event no later than 48 hours before the time for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

7. RECOMMENDATION

The Directors consider that the Wistron CCT under the New Wistron Master Sales Agreement, the Compal CCT under the Compal Master Sales Agreement and their respective annual caps, the proposed refreshment of the Existing Scheme Limit and the proposed amendments to the Plan Rules are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of the relevant resolutions in the terms as set out in the notice of the EGM.

8. ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee set out in pages 18 to 19 of this circular which contains its advice to the Independent Shareholders regarding the Wistron CCT, the Compal CCT and the respective annual caps, the letter from Optima Capital set out in pages 20 to 30 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders regarding the Wistron CCT, the Compal CCT and the respective annual caps and the principal factors and reasons taken into consideration in arriving at its advice, and the additional information set out in the appendix to this circular.

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

LETTER FROM INDEPENDENT BOARD COMMITTEE



JU TENG INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3336)

10 February 2009

To the Independent Shareholders

Dear Sir or Madam,

**(1) EXTENSION OF MASTER SALES AGREEMENT WITH
WISTRON GROUP**
(2) MASTER SALES AGREEMENT WITH COMPAL GROUP

We refer to the circular issued by the Company to its shareholders and dated 10 February 2009 (“**Circular**”) of which this letter forms part. Terms defined in the Circular have the same meanings when used in this letter unless the context otherwise requires.

Under the Listing Rules, the transactions contemplated under the New Wistron Master Sales Agreement and the Compal Master Sales Agreement constitute continuing connected transactions for the Company and are subject to the approval of the Independent Shareholders.

We have been appointed by the Board to consider the terms of the New Wistron Master Sales Agreement and the Compal Master Sales Agreement and to advise the Independent Shareholders in connection with the continuing connected transactions as contemplated under the New Wistron Master Sales Agreement and the Compal Master Sales Agreement as to whether, in our opinion, the terms of the New Wistron Master Sales Agreement and the Compal Master Sales Agreement and the related annual caps are fair and reasonable and whether such continuing connected transactions are in the interests of the Company and its Shareholders as a whole. Optima Capital has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this respect.

We wish to draw your attention to the letter from the Board and the letter from Optima Capital as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of, Optima Capital as set out in its letter of advice, we consider that the New Wistron Master Sales Agreement and the Compal Master Sales Agreement are on normal commercial terms. We also consider that the terms of the continuing connected transactions as contemplated under the New Wistron Master Sales Agreement and the Compal Master Sales Agreement and the related annual caps are fair

LETTER FROM INDEPENDENT BOARD COMMITTEE

and reasonable and such continuing connected transactions are in the interests of the Company and its Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders to vote in favour of the ordinary resolutions to approve the continuing connected transactions as contemplated under the New Wistron Master Sales Agreement and the Compal Master Sales Agreement and the related annual caps at the EGM.

Yours faithfully,

For and on behalf of

Independent Board Committee

Cherng Chia-Jiun

Tsai Wen-Yu

Yip Wai Ming

Independent non-executive Directors

LETTER FROM OPTIMA CAPITAL

The following is the letter of advice from Optima Capital to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



Unit 3618, 36th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

10 February 2009

*To: the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

**(1) EXTENSION OF MASTER SALES AGREEMENT WITH
WISTRON GROUP**
(2) MASTER SALES AGREEMENT WITH COMPAL GROUP

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Wistron CCT and the Compal CCT (together the “Continuing Connected Transactions”), and the respective proposed annual caps, for which Independent Shareholders’ approval is being sought. Details of the Continuing Connected Transactions and the respective proposed annual caps are set out in the letter from the Board (the “Letter”) contained in the circular of the Company to the Shareholders dated 10 February 2009 (the “Circular”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined.

On 27 March 2006, Giant Glory, a wholly-owned subsidiary of the Company, and Wistron entered into the Previous Wistron Master Sales Agreement pursuant to which the Group agreed to sell the Products to the Wistron Group on an on-going basis. The Previous Wistron Master Sales Agreement expired on 31 December 2008. On 23 January 2009, Wistron (for itself and on behalf of the other members of the Wistron Group) entered into the New Wistron Master Sales Agreement with Giant Glory (for itself and on behalf of the members of the Group) to ensure continual supply of the Products by the Group to the Wistron Group after the expiry of the Previous Wistron Master Sales Agreement. As Wistron is a substantial shareholder of Mindforce Holdings Limited (“Mindforce”), a 71%-owned indirect subsidiary of the Company, holding 29% of its issued share capital, Wistron is a connected person of the Company and the sales under the New Wistron Master Sales Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios for the expected annual caps for the sales under the New Wistron Master Sales Agreement for each of the three years ending 31 December 2011 are expected to exceed 2.5% and the annual consideration receivable from the Wistron Group in respect of the sales is expected to exceed HK\$10 million, the Wistron CCT with the expected annual caps (the “Wistron Caps”) constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules and such transactions are subject to the disclosure, reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM OPTIMA CAPITAL

As announced in the Company's announcement dated 29 October 2008, on 28 October 2008, the Group entered into the Subscription Agreement with Wah Yuen for the subscription of shares in, and the Acquisition Agreement with Compal for the acquisition of shares in, Wah Yuen. Immediately upon completion of the Subscription and the Acquisition, Wah Yuen will become a non-wholly owned subsidiary of the Company and will be owned as to 53.4% by the Group and 31.5% by the Compal Group. Compal will become a substantial shareholder of the Company's non wholly-owned subsidiary and therefore, will become a connected person of the Company under the Listing Rules. Upon completion of the Subscription, the selling of Products to Compal Group by the Group will constitute continuing connected transactions for the Company under the Listing Rules. As the Compal CCT form part of the usual and ordinary course of business of the Group, the Directors expected that the sales to Compal Group would continue. Pursuant to the Subscription Agreement, the completion of the Subscription is conditional on the approval of Independent Shareholders of the Compal CCT. Since the applicable percentage ratios for the expected annual caps for the sales under the Compal Master Sales Agreement for the three years ending 31 December 2011 are expected to exceed 2.5% and the annual consideration receivable from the Compal Group in respect of the sales under the Compal Master Sales Agreement is expected to exceed HK\$10 million, the Compal CCT with the expected annual caps (the "Compal Caps") constitute non-exempt continuing connected transactions of the Company and are subject to the disclosure, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given Wistron was a connected person of the Company as at the Latest Practicable Date, Wistron and its associates, and any Shareholders of the Company who are materially interested in the Wistron CCT under the New Wistron Master Sales Agreement and its associates, are required to abstain from voting on the ordinary resolution to be proposed at the EGM to approve the Wistron CCT (including the Wistron Caps). Moreover, upon completion of the Subscription and Acquisition, Compal Group remains to be a substantial shareholder of Wah Yuen (which will become a non wholly-owned subsidiary of the Company) and will become a connected person of the Company. Compal and its associates, and any Shareholders who are materially interested in the Compal CCT under the Compal Master Sales Agreement and its associates, are required to abstain from voting on the ordinary resolution to be proposed at the EGM to approve the Compal CCT (including the Compal Caps). Such resolutions will be taken by way of poll.

The Independent Board Committee, comprising all of the three independent non-executive Directors, namely Mr. Cherng Chia-Jiun, Mr. Tsai Wen-Yu and Mr. Yip Wai Ming has been established to make a recommendation to the Independent Shareholders as to whether (i) the Wistron CCT and the Compal CCT are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (ii) whether each of the Wistron Caps and the Compal Caps (together the "Caps") are fair and reasonable. Optima Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM OPTIMA CAPITAL

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the executive Directors and management of the Company and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were made and up to the date of the EGM. We have also sought and received confirmation from the executive Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information has been withheld, nor doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering whether the terms of the Continuing Connected Transactions (together with the proposed Caps) are fair and reasonable in so far as the Independent Shareholders are concerned, we have taken into account the principal factors and reasons set out below:

1. Background and reasons for the Continuing Connected Transactions

Information on the Company

The Group is principally engaged in the manufacturing and sale of notebook computer casing, part and other related materials. The products of the Group also include the manufacturing of plastic casings for LCDs, PCs, digital cameras and game consoles. The Group is one of the major manufacturers of worldwide notebook computer casings which are sold to the manufacturers of notebook computers. According to the annual report of the Company for the year ended 31 December 2007 (the "Annual Report"), the Group will leverage on the technology it mastered so far to enlarge the product range.

On 28 October 2008, the Group entered into the Subscription Agreement and the Acquisition Agreement for the acquisition of a majority interest in Wah Yuen, a company which is principally engaged in the design, development, manufacture and sale of magnesium alloy casing for notebook computers. After completion of the Subscription and the Acquisition, Wah Yuen will become an indirect non-wholly owned subsidiary of the Company and the Group will then be able to produce magnesium alloy casing for notebook computers in addition to the plastic casings.

Information on Wistron Group

Wistron, a public listed company on the Taiwan Stock Exchange, is principally engaged in the design and manufacturing of products of information and communication technology and the provision of related services. Its product portfolio covers a wide range of technology products including, among others, notebook computers, mobile communication products, server and storage system. In March 2006, the Group entered into the Previous Wistron Master Sales Agreement with the Wistron Group to regulate

LETTER FROM OPTIMA CAPITAL

the sale arrangements of casings for electronic products and related materials from the Group to the Wistron Group. Pursuant to the Previous Wistron Master Sales Agreement, the Group agreed to sell the Products to the Wistron Group on an on-going basis. The Previous Wistron Master Sales Agreement expired on 31 December 2008. Given Wistron Group is one of the Group's major customers and the Group has been selling the Products to the Wistron Group, the New Wistron Master Sales Agreement was entered on 23 January 2009 to ensure the continual supply of the Products by the Group to the Wistron Group after expiry of the Previous Wistron Master Sales Agreement.

Information on Compal Group

Compal, a public listed company on the Taiwan Stock Exchange, is one of the leading notebook computers manufacturers in the world. Compal also produces liquid crystal displays and other computer-related products. Compal exports its products to Asia, Europe and the United States. Compal and the other members of the Compal Group are principally engaged in the design and manufacturing of products of information and communication technology and the provision of related services. The Group has been selling its notebook computer casings and related materials to Compal Group since 2003. After completion of the Subscription and the Acquisition, Wah Yuen will be owned as to 53.4% by the Group and 31.5% by the Compal Group. Accordingly, the selling of the Products by the Group to the Compal Group will constitute continuing connected transactions of the Company. On 1 January 2009, the Compal Master Sales Agreement was entered into to regulate the sale arrangements of casings for electronic products and related materials from the Group to the Compal Group.

In view of the Group's principal activities and its existing business relationship with Wistron and Compal Group, we are of the view that each of the Wistron CCT and the Compal CCT are recurring in nature and in the ordinary and usual course of business of the Group.

2. Principal terms of the agreements

New Wistron Master Sales Agreement

Pursuant to the New Wistron Master Sales Agreement, the Products will be sold to the Wistron Group at prices to be determined from time to time by the parties with reference to the market prices. The price of the Products shall be payable by the Wistron Group to the Group in arrears on 120 days' credit period by transferring to the Group's bank account. In this connection, we discussed with the management of the Company and have reviewed sample copies of invoices issued by the Group to Wistron Group for similar products. We noted that the payment terms (including the prices and the settlement terms) offered by the Group to the Wistron Group are comparable to and no more favourable than those applicable to the sales of the Products by the Group to Independent Third Party. The New Wistron Master Sales Agreement has a term of three years commencing from 1 January 2009 and ending 31 December 2011, unless terminated earlier by 30 days' written notice by either party.

LETTER FROM OPTIMA CAPITAL

As set out in the Letter, the terms of the New Wistron Master Sales Agreement were arrived at after arm's length negotiation between the Group and the Wistron Group and we understand that the principal terms of the New Wistron Master Sales Agreement were similar to those of the Previous Wistron Master Sales Agreement.

Compal Master Sales Agreement

Pursuant to the Compal Master Sales Agreement, the Group agreed to sell the Products to Compal or other members of the Compal Group at prices to be determined from time to time by the Group and Compal (for itself and on behalf of the other members of the Compal Group) with reference to market prices. The price of the Products shall be payable by the Compal Group to the Group in arrears on 120 days' credit period by transferring to the Group's bank account. In this connection, we discussed with the management of the Company and have reviewed sample copies of invoices issued by the Group to Compal Group for similar products. We noted that the payment terms (including the prices and the settlement terms) offered by the Group to the Compal Group are comparable to and no more favourable than those applicable to the sales of the Products by the Group to Independent Third Party. The Compal Master Sales Agreement is for a period from 1 January 2009 to 31 December 2011 unless terminated earlier according to the terms and conditions of the Compal Master Sales Agreement.

As set out in the letter, the terms of the Compal Master Sales Agreement were arrived at after arm's length negotiation between the Group and the Compal Group.

Our view

Given (i) the principal terms of the New Wistron Master Sales Agreement and the Compal Master Sales Agreement are similar to those offered by the Group to other Independent Third Party; (ii) the actual pricing of the Products will be agreed with reference to the prevailing market prices at the time when the purchase order is placed by the Wistron Group and/or Compal Group and (iii) the pricing of the Products will be no more favourable to the Wistron Group and/or Compal Group than those between the Group and Independent Third Parties, we consider that the terms of each of the New Wistron Master Sales Agreement and the Compal Master Sales Agreement are fair and reasonable in so far as the Independent Shareholders are concerned.

LETTER FROM OPTIMA CAPITAL

3. Proposed Caps

Review of past sale transactions with the Wistron Group and the Compal Group

Review of past Wistron CCT

The transaction value of the Products sold by the Group to the Wistron Group has been consistently increasing, which amounted to approximately HK\$707 million, HK\$1,188 million and HK\$2,215 million (based on the unaudited management accounts of the Group for the year ended 31 December 2008) for each of the three years ended 31 December 2008 respectively. The sales amount of the Wistron CCT has increased by approximately 86.4% for the year ended 31 December 2008 as compared to that for the year ended 31 December 2007 and approximately 68.0% for the year ended 31 December 2007 as compared to that for the year ended 31 December 2006, representing an annual compound growth rate of approximately 77.0%. The Wistron Group has been a major customer of the Group and the sales amount of the Wistron CCT for the two years ended 31 December 2006 and 2007 represented approximately 19.9% and 22.5% of the Group's total revenue in the corresponding year.

The increase in the amount of the Wistron CCT during the past three years was generally in line with the total turnover of the Group which has increased from approximately HK\$3,558 million in 2006 to HK\$5,276 million in 2007, representing an annual increase of approximately 48.3%. For the six months ended 30 June 2008, the Group recorded an unaudited revenue of approximately HK\$3,428 million which represented a growth of approximately 59.0% as compared to that of the corresponding period. As stated in the Annual Report, the increase in the total revenue of the Group was principally driven by the rapid growth in shipment of notebook computers worldwide due to the acceleration in the pace of notebook computers superseding desktop PCs as well as the strong demand from consumers and emerging markets.

Review of past sales transactions with Compal Group

The transaction value of the Products sold by the Group to the Compal Group has been progressively increasing, which amounted to approximately HK\$507 million, HK\$713 million and HK\$746 million (based on the unaudited management accounts of the Group for the year ended 31 December 2008) for each of the three years ended 31 December 2008 respectively. The sales amount of the Products to Compal Group has increased by approximately 4.6% for the year ended 31 December 2008 as compared to that for the year ended 31 December 2007 and approximately 40.6% for the year ended 31 December 2007 as compared to that for the year ended 31 December 2006, representing an annual compound growth rate of approximately 21.3%. The Compal Group has been a customer of the Group and the sales amount of the Products to Compal Group for the two years ended 31 December 2006 and 2007 represented approximately 14.2% and 13.5% of the Group's total revenue in the corresponding year.

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As set out in the Letter, Wah Yuen, a company which is principally engaged in the design, development, manufacture and sale of magnesium alloy casing for notebook computers. After completion of the Subscription and the Acquisition, Wah Yuen will become an indirect non-wholly owned subsidiary of the Company and the Group will then be able to produce magnesium alloy casing for notebook computers in addition to the plastic casings and Wah Yuen will continue to sell the products to the Compal Group.

Analysis on worldwide computer industry

According to the data from the IDC, an international intelligence service provider in the information technology industry, the annual growth rate of the worldwide personal computer (the "PC") shipments ranged between 10.6% and 17.1% during the period from 2004 to 2007 whereas the shipments for portable PCs were growing much more significantly with an annual compound growth rate of approximately 31.8% for the same period. Set out below is a table summarizing the PC shipments (including portable computers) during the period from 2004 to 2007:

	2004	2005	2006	2007
Total PCs				
Units (M)	180.6	211.5	233.9	269.1
Unit growth (%)	N/A	17.1	10.6	15.0
Portables				
Units (M)	47.2	63.3	80.7	108.0
Unit growth (%)	N/A	34.0	27.5	33.9

Source: IDC – Market Analysis (Worldwide PC 2008-2012 Forecast Update: July 2008)

However, the recent economic downturn may have certain impact on the demand for PCs and IDC has recently predicted that PC shipments worldwide will be slow down and are expected to grow by approximately 3.8% in 2009. Nevertheless, the adoption of portable PCs, falling prices, and new users particularly in emerging regions will continue to drive the growth of the PC market. Moreover, as consumers are shifting to notebooks from desktop computers, notebook sales are expected to be major market drivers in both mature and emerging economies. According to the estimates by IDC at the end of the year 2008, the PC shipments for 2011 and 2012 are expected to rebound and may restore to achieve a double digit growth of approximately 12%. Based on the above, we expect that the worldwide PCs including the portable PC market will maintain slow growth in the short term and will restore higher growth in the medium to long term.

LETTER FROM OPTIMA CAPITAL

The Wistron Caps and the Compal Caps

Basis of determining the Wistron Caps

Set out below are the proposed Wistron Caps under the New Wistron Master Sales Agreement for each of the three financial years ending 31 December 2009, 2010 and 2011:

	For the year ending 31 December		
	2009	2010	2011
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Proposed Wistron Caps	2,878	3,455	4,150

As set out in the Letter, the Wistron Caps were determined by the Company after taking account of the following factors:

- (i) the amount of sales of the Products by the Group to the Wistron Group for each of the three years ended 31 December 2008;
- (ii) the pattern for the sales of the Products to the Wistron Group for each of the three years ended 31 December 2008;
- (iii) existing purchase orders on hand from the Wistron Group; and
- (iv) expected business growth of the Wistron Group in the coming three years after taking into consideration of the growth of worldwide notebook computer industry and additional purchase orders to the Wistron Group from its customers.

In connection to the above, we have reviewed and discussed with the management on the past Wistron CCT for the each of the three years ended 31 December 2008, details of which are set out in the above paragraph headed "Review of past Wistron CCT". The Directors consider that the Wistron Group will continue to be a major customer of the Group in the next few years.

In addition, we have reviewed the annual report of Wistron for the year ended 31 December 2007 and noted that it has recorded audited net revenue of approximately NT\$286.8 billion in 2007, representing a growth of 29.7% over that of the previous year of NT\$221.1 billion. As referred to in the Annual Report, the Directors consider that the demand for notebook computers is able to maintain a sustainable growth given notebook computers have become a general consumer product in the market and the introduction of low-priced computers will intensify notebook computers to supersede desktop PCs which is beneficial to the business growth of the Wistron Group.

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Moreover, as set out in the Letter, as those Products sold by the Group to Wistron Group are principally parts and components of notebook computer casings which are manufactured by using the metallic stamping moulds and plastic injection moulds solely owned by the Group, the Wistron Group can only purchase such designated parts and components of these notebook computer casings from the Group. As further advised by the Directors, during the period from 1 January 2009 to 31 January 2009, the Wistron Group has placed certain purchase orders to the Group and the Directors consider that the sales of the Products by the Group to the Wistron Group will grow steadily for the three years ending 31 December 2011.

We also noted that, (i) the proposed Wistron Cap for the year ending 31 December 2009 represents an annual increment of approximately 30% comparing to the actual transaction amount for the year ended 31 December 2008; and (ii) the proposed Wistron Caps for the two years ending 31 December 2011 represents an annual increment of approximately 20% comparing to each of the proposed Wistron Cap for the year ending 31 December 2009 and 2010 respectively. In this regard, we have reviewed the internal projection of the proposed Wistron Caps and are given to understand that management of the Company has taken into account the recent macro-economic environment when setting the underlying bases and assumptions of the projection.

In view of the recurring nature of the Wistron CCT (the terms of which will be governed by the New Wistron Sales Agreement) and taking into account that, (i) the steady growth of sales of the Products by the Group to the Wistron Group for the three years ended 31 December 2008; (ii) the Wistron Group has been and will continue to be a major customer of the Group since 2005; (iii) the analysis on worldwide notebook computer industry as set out in the above paragraph; and (iv) the expected increase in the demand of the Products by the Wistron Group after taking into consideration the current market conditions, we consider the proposed Wistron Caps are fair and reasonable in so far as the Independent Shareholders are concerned.

Basis of determining the Compal Caps

Set out below are the proposed Compal Caps under the Compal Master Sales Agreement for each of the three financial years ending 31 December 2011:

	For the year ending 31 December		
	2009	2010	2011
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Proposed Compal Caps	1,498	2,168	2,824

LETTER FROM OPTIMA CAPITAL

As set out in the Letter, the Compal Caps were concluded by reference to the following factors:

- (i) the historical sales of the Products to Compal and other members of the Compal Group;
- (ii) orders under negotiation and pending confirmation from the Compal Group; and
- (iii) expected business growth of the Compal Group in the coming three years after taking into consideration of the growth of worldwide notebook computer industry and additional purchase orders to the Compal Group from its customers.

In connection to the above, we have reviewed and discussed with the management on the past sales transactions between the Group and Compal Group and the sales of the Products by Wah Yuen to the Compal Group for each of the three years ended 31 December 2008, details of which are set out in the above paragraph headed “Review of past sales transactions with Compal Group”. The Directors consider that the Compal Group will continue to be a major customer of the Group and the sales orders to be placed by the Compal Group will be increasing in the next few years.

In addition, we have reviewed the annual report of Compal for the year ended 31 December 2007 and noted that it has recorded audited net revenue of approximately NT\$498.3 billion in 2007, representing a growth of approximately 30.3% over that of the previous year of NT\$382.4 billion. As referred to in the Annual Report, the Directors consider that the demand for notebook computers is able to maintain a sustainable growth given notebook computers have become a general consumer product in the market and the introduction of low-priced computers will intensify notebook computers to supersede desktop PCs which is beneficial to the business growth of the Compal Group. As further advised by the Directors, during the period from 1 January 2009 to 31 January 2009, the Compal Group has placed certain purchase orders to the Group and the Directors consider that the sales of the Products by the Group (including Wah Yuen) to the Compal Group will grow steadily for the three years ending 31 December 2011.

We also noted from the table above that, (i) the proposed Compal Cap for the year ending 31 December 2009 represents an annual increment of approximately 100.8% comparing to the aggregated sales amount of the Products by the Group and Wah Yuen to the Compal Group for the year ended 31 December 2008; and (ii) the proposed Compal Caps for the two years ending 31 December 2011 represents an annual increment of approximately 44.7% and 30.3% comparing to each of the proposed Compal Caps for the year ending 31 December 2009 and 2010 respectively. In this regard, we have reviewed the internal projection of the proposed Compal Caps and are given to understand that apart from the conventional plastic casings, the Compal Group is expected to commence

LETTER FROM OPTIMA CAPITAL

placing further orders to the Group for the manufacturing of magnesium alloy casings from the year 2009 onwards. As such, the Directors expect that the total sales orders to be placed by the Compal Group will be increasing in the next few years. Moreover, we were advised by the management of the Company that the recent macro-economic environment has been taken into account when setting the underlying bases and assumptions of the projection.

In view of the recurring nature of the Compal CCT (the terms of which will be governed by the Compal Master Sales Agreement) and taking into account that, (i) the steady growth of sales of the Products by the Group to the Compal Group for the three years ended 31 December 2008; (ii) the Compal Group has been and will continue to be a customer of the Group since 2003; (iii) the analysis on worldwide notebook computer industry as referred to above; and (iv) the expected increase in the demand of the Products by the Compal Group after taking into consideration the current market conditions, we consider the proposed Compal Caps are fair and reasonable in so far as the Independent Shareholders are concerned.

OPINION

Having taking into account the above principal factors and reasons, we consider that (i) the Continuing Connected Transactions are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (ii) each of the Wistron Caps and the Compal Caps are fair and reasonable. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Continuing Connected Transactions (together with the proposed Caps).

Yours faithfully,
for and on behalf of
OPTIMA CAPITAL LIMITED

Mei H. Leung
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, were as follows:

(i) Interests in Shares

Name of Director	Company/name of associated corporation	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Mr. Cheng Li-Yu	The Company	Founder of a discretionary trust	273,556,986 Shares (L) (Note 2)	27.36%
	The Company	Beneficial owner	36,778,000 Shares (L)	3.68%
	The Company	Interest of spouse	10,518,046 Shares (L) (Note 3)	1.05%
Mr. Cheng Li-Yen	The Company	Beneficiary of a trust	273,556,986 Shares (L) (Note 2)	27.36%
Mr. Lo Jung-Te	The Company	Beneficial owner	5,967,942 Shares (L)	0.60%
Mr. Huang Kuo-Kuang	The Company	Beneficial owner	2,423,866 Shares (L)	0.24%
		Interest of spouse	5,742,631 Shares (L) (Note 4)	0.57%
Mr. Hsieh Wan-Fu	The Company	Beneficial owner	4,294,432 Shares (L)	0.43%

Notes:

1. The letter “L” denotes the Directors’ long position in the Shares, or as the case may be, the underlying Shares of the Company and/or the relevant associated corporations.
2. These Shares were registered in the name of Southern Asia Management Limited, which was wholly owned by Shine Century Assets Corp., the entire issued share capital of which was beneficially owned by the Cheng Family Trust which was founded by Mr. Cheng Li-Yu. Mr. Cheng Li-Yu and Mr. Cheng Li-Yen are also two of the beneficiaries of the Cheng Family Trust. Mr. Cheng Li-Yu and Mr. Cheng Li-Yen were deemed to be interested in all the Shares in which Shine Century Assets Corp. is interested by virtue of the SFO.
3. Mr. Cheng Li-Yu is the husband of Ms. Lin Mei-Li and he was deemed to be interested in all the Shares in which Ms. Lin Mei-Li was interested by virtue of the SFO.
4. Mr. Huang Kuo-Kuang is the husband of Ms. Wang Shu-Hui and he was deemed to be interested in all the Shares in which Ms. Wang Shu-Hui was interested by virtue of the SFO.

(ii) Interests in underlying shares

Name of Director	Nature of Interest	Number of underlying shares <i>(Note 1)</i>	Approximate Percentage of Shareholding
Mr. Huang Kuo-Kuang	Beneficial owner	3,756,000 (L) <i>(Note 2)</i>	0.34% <i>(Note 3)</i>
Mr. Hsieh Wan-Fu	Beneficial owner	3,162,000 (L) <i>(Note 2)</i>	0.29% <i>(Note 3)</i>
Mr. Lo Jung-Te	Beneficial owner	3,162,000 (L) <i>(Note 2)</i>	0.29% <i>(Note 3)</i>
Mr. Tsui Yung Kwok	Beneficial owner	2,800,000 (L) <i>(Note 4)</i>	0.26% <i>(Note 3)</i>
	Beneficial owner	1,754,000 (L) <i>(Note 2)</i>	0.16% <i>(Note 3)</i>

Notes:

1. The letter “L” denotes a long position in the underlying Shares.
2. The long position in the underlying Shares comprised (i) 3,000,000, 1,500,000, 1,500,000 and 998,000 options granted to Mr. Huang Kuo-Kuang, Mr. Hsieh Wan-Fu, Mr. Lo Jung-Te and Mr. Tsui Yung Kwok respectively by the Company on 7 November 2006 and (ii) 756,000, 1,662,000, 1,662,000 and 756,000 options granted to Mr. Huang Kuo-Kuang, Mr. Hsieh Wan-Fu, Mr. Lo Jung-Te and Mr. Tsui Yung Kwok respectively by the Company on 24 April 2008 under the Share Option Scheme and such share options remained outstanding as at the Latest Practicable Date.
3. This percentage was calculated on the basis of 1,096,594,000 Shares in issue immediately following the exercise in full of all the options granted under the Pre-IPO Share Option Scheme and Share Option Scheme at the same time and assuming that there would be no change in the total issued share capital of the Company other than as enlarged by the exercise of these options prior to the exercise in full of these options.
4. Mr. Tsui Yung Kwok’s long position in the underlying Shares comprised 2,800,000 options granted to him by the Company on 17 June 2005 under the Pre-IPO Share Option Scheme and such share options remained outstanding as at the Latest Practicable Date.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange (including interests and short positions which he was taken or deemed to have under such provisions of SFO); or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been since 31 December 2007, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the date hereof and which was significant in relation to the business of the Group.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Directors or chief executive of the Company, the persons (other than a Director or chief executive of the Company); (a) who had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (b) who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company or any other members of the Group (including any company which will become a subsidiary of the Company by reason of an acquisition and/or subscription which has been agreed or proposed since 31 December 2007, being the date to which the latest audited accounts of the Company have been made up), were as follows:

Name of Shareholder	Company/name of Group member	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Southern Asia Management Limited (Note 2)	The Company	Beneficial owner	273,556,986 Shares (L)	27.36%
Shine Century Assets Corp.	The Company	Interest of a controlled corporation	273,556,986 Shares (L) (Note 3)	27.36%
East Asia International Trustees Limited	The Company	Trustee (other than a bare trustee)	273,556,986 Shares (L) (Note 3)	27.36%
Ms. Lin Mei Li	The Company	Beneficial owner	10,518,046 Shares (L)	1.05%
	The Company	Interest of a spouse	310,334,986 Shares (L) (Note 4)	31.03%
Win Smart Co., Ltd.	Mindforce Holdings Limited	Beneficial owner	7,250,000 ordinary shares of US\$1 each	29.00%
All Holding Corporation	Gold Connection Limited	Beneficial owner	5,349,950 ordinary shares of US\$1 each	29.00%
Flight Global Holding Inc.	Wah Yuen	Beneficial owner	34,417,749 ordinary shares of Wah Yuen	31.51%

Notes:

1. The letter “L” denotes the Shareholders’ long position in the Shares of the Company and/or the relevant associated corporations.
2. Mr. Cheng Li-Yu, an executive Director, is a director of Southern Asia Management Limited.
3. The Shares were held by Southern Asia Management Limited, which was wholly-owned by Shine Century Assets Corp. The entire issued share capital of Shine Century Assets Corp. was owned by the Cheng Family Trust, the trustee of which was East Asia International Trustees Limited. Shine Century Assets Corp. was deemed to be interested in all the Shares in which Southern Asia Management Limited was interested by virtue of the SFO. East Asia International Trustee Limited was deemed to be interested in all the Shares in which Shine Century Assets Corp. was interested by virtue of the SFO.
4. Ms. Lin Mei-Li is the wife of Mr. Cheng Li-Yu and she was deemed to be interested in all the Shares in which Mr. Cheng Li-Yu was interested by virtue of the SFO.

Save as disclosed herein, there was no person known to any Directors or chief executive of the Company, who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company or any other member of the Group.

4. SERVICE AGREEMENTS

As at the Latest Practicable Date, none of the Directors had a service contract with any member of the Group which was not determinable by the Company or the relevant member of the Group within one year without payment of compensation other than statutory compensation.

5. MATERIAL ADVERSE CHANGES

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007, being the date to which the latest published audited financial statements of the Group were made up.

6. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and his associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group which would otherwise be required to be disclosed under Rule 8.10 of the Listing Rules if any of such Directors or his associates was a controlling Shareholder.

7. LITIGATION

As at the Latest Practicable Date, none of any member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claims of material importance known to the Directors to be pending or threatened by or against any member of the Group.

8. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualifications of the expert who has given opinion or, advice contained in this circular:

Name	Qualification
Optima Capital	a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate Finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee

Optima Capital has given and has not withdrawn its written consent to the issue of this circular with the reference to its name and its letter in the form and context in which it appears.

As at the Latest Practicable Date, Optima Capital has no shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

Optima Capital does not have any interest, direct or indirect, in any assets which since 31 December 2007, being the date to which the latest published audited financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the New Wistron Master Sales Agreement, the Compal Master Sales Agreement and the Plan Rules (with the proposed amendments) will be available for inspection at Suites 3311-3312, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM.

10. MISCELLANEOUS

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is at Suites 3311-3312, Jardine House, 1 Connaught Place, Central, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary is Mr Tsui Yung Kwok. Mr Tsui is the member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in Australia, CPA Australia and the Hong Kong Institute of Chartered Secretaries.
- (e) The English text of this circular shall prevail over its Chinese text.

NOTICE OF EGM



JU TENG INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3336)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Ju Teng International Holdings Limited (“**Company**”) will be held at La Maison de l’ Orient-VIP room 6, 1/F, Cosmopolitan Hotel, 387-397 Queen’s Road East, Wan Chai, Hong Kong on 26 February 2009 at 3 p.m. to consider, if though fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT** the master sales agreement (“**New Wistron Master Sales Agreement**”) dated as of 31 December 2008 (a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and entered into between Giant Glory International Limited and Wistron Corporation, the transactions contemplated thereby and the expected annual caps of HK\$2,878 million, HK\$3,455 million and HK\$4,150 million for each of the three years ending 31 December 2011, respectively, in respect of the transactions contemplated under the New Wistron Master Sales Agreement be and are hereby approved and that the directors of the Company be and are hereby authorised to take any action and sign any document (under seal, if necessary) as they consider necessary, desirable or expedient in connection with the New Wistron Master Sales Agreement or the transactions contemplated thereby.”
2. **“THAT** the master sales agreement (“**Compal Master Sales Agreement**”) dated 1 January 2009 (a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification) and entered into between Giant Glory International Limited, Compal Electronics, Inc. and three of its subsidiaries, the transactions contemplated thereby and the expected annual caps of HK\$1,498 million, HK\$2,168 million and HK\$2,824 million for each of the three years ending 31 December 2011, respectively, in respect of the transactions contemplated under the Compal Master Sales Agreement be and are hereby approved and that the directors of the Company be and are hereby authorised to take any action and sign any document (under seal, if necessary) as they consider necessary, desirable or expedient in connection with the Compal Master Sales Agreement or the transactions contemplated thereby.”

NOTICE OF EGM

3. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 6 October 2005 (“**Share Option Scheme**”), representing 10% of the issued share capital of the Company as at the date on which this resolution is passed, pursuant to clause 8.2 of the Share Option Scheme:
- (a) approval be and is hereby granted for refreshing the 10% mandate under the Share Option Scheme (“**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company and its subsidiaries (“**Group**”) under the limit as refreshed hereby shall not exceed 10% of the total number of issued shares of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Group (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Group) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and
 - (b) the directors of the Company or a duly authorised committee thereof be and they are hereby authorised: (i) at their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme, and (ii) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate.”
4. “**THAT** the rules of the share award plan of the Company (the “**Plan Rules**”) adopted by resolutions in writing of all the shareholders of the Company on 17 June 2005 be amended as follows:
- (a) by deleting the first sentence of paragraph 3.6(a) of the Plan Rules in its entirety and replacing it with the following:

“an Award or, as the case may be, any instruction of the Directors to the Trustee to acquire Shares may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in accordance with the Listing Rules.”

NOTICE OF EGM

- (b) by deleting paragraph 4.3 of the Plan Rules in its entirety and replacing it with the following:

“4.3 The Directors shall procure that adequate funds are paid out of the Company’s resources to the Trustee to enable to Trustee to subscribe for or, as the case may be, purchase the appropriate number of Shares as referred to in paragraph 4.2 in order to satisfy the outstanding Awards from time to time made under this Plan or, as the case may be, to increase the number of Shares in the Shares Pool as decided by the Directors pursuant to paragraph 4.4, provided that the amount of funds to be allocated by the Company to the Trustee for the purpose of subscribing for or, as the case may be, purchasing any Shares pursuant to paragraphs 4.2 or 4.4 in any given financial year shall not exceed 5% of the consolidated profit before tax of the Company as shown in the audited financial statements of the immediate preceding year.”

- (c) by deleting the second sentence of paragraph 4.4 of the Plan Rules in its entirety and replacing it with the following:

“If the conditions referred to in paragraphs 4.2(a) and (b) are not satisfied or, in the event that the Directors shall at any time consider it appropriate to effect purchase of Shares on the Stock Exchange regardless of whether or not there is any outstanding Award or whether any Award has been made at the relevant time, the Directors shall notify and instruct the Trustee to effect the purchase of the appropriate number of Shares as referred to in paragraph 4.2(c) or such number of Shares as considered to be desirable by the Directors for the purpose of increasing the number of Shares in the Shares Pool and, subject to paragraphs 4.3 and 4.5, the Trustee shall within a period of ten (10) Business Days on which the Shares are traded (and not suspended from trading) on the Stock Exchange (or such longer period as may be agreed between the Directors and the Trustee in writing) after actual receipt of such instruction make the purchases from the Stock Exchange.”

- (d) by deleting the first sentence of paragraph 4.5 of the Plan Rules in its entirety and replacing it with the following:

“If any proposed subscription for or, as the case may be, purchase of Shares under paragraph 4.4 shall fall on any day on which the Directors are restricted from making any Award or giving any instruction as referred to in paragraph 3.6(a), the Trustee shall not effect the relevant subscription and/or purchase.”

- (e) by inserting the words “or, as the case may be, to increase the number of Shares in the Shares Pool as decided by the Directors pursuant to paragraph 4.4” immediately before the wordings “; and” in paragraph 4.6(a) of the Plan Rules; and

NOTICE OF EGM

- (f) by deleting the words “a resolution of the Directors” in the first sentence of paragraph 10 of the Plan Rules and replacing it with “the prior sanction of a resolution of the shareholders of the Company in general meeting”.”

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

Hong Kong, 10 February 2009

Head office and principal place of business in Hong Kong:

Suites 3311-3312
Jardine House
1 Connaught Place
Central
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the meeting above is entitled to appoint in written form one or, if he is the holder of two or more shares (“**Shares**”) of the Company, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the above meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Hong Kong branch share registrar and transfer office (“**Branch Registrar**”) of the Company, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed for holding of the meeting or any adjournment thereof.
4. The register of members of the Company will be closed from 25 February 2009 to 26 February 2009 (both days inclusive), during which period no transfer of the Shares will be effected. All transfers of Shares accompanied by the relevant share certificates must be lodged with the Branch Registrar at the above address by no later than 4:30 p.m. on 24 February 2009.
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

As at the date of this notice, the Board comprises six executive Directors, namely 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 three independent non-executive Directors, namely Mr. Cherng Chia-Jiun, Mr. Tsai Wen-Yu and Mr. Yip Wai Ming.