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If you have sold or transferred all your shares in Ju Teng International Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



巨騰國際控股有限公司

JU TENG INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3336)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF 37.5% INTEREST IN
SMART SUCCESS ENTERPRISE LIMITED**

2 October 2007

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DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendors
“Acquisition Agreement”	a sale and purchase agreement entered into between the Purchaser and the Vendors on 11 September 2007 in connection with the Acquisition
“Board”	board of Directors
“Company”	Ju Teng International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the Acquisition Agreement
“Consideration”	an aggregate consideration of US\$2,925,000 for the acquisition of the Sale Shares
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	25 September 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chen”	Mr. Chen Fong-Wei, one of the Vendors who held 6.7% of the issued share capital of Smart Success immediately prior to Completion
“Mr. Lin”	Mr. Lin Mu-Lin, one of the Vendors who held 30.8% of the issued share capital of Smart Success immediately prior to Completion

DEFINITIONS

“NT\$”	New Taiwan dollars, the lawful currency of Taiwan
“PRC”	the People’s Republic of China
“Purchaser”	Giant Glory International Limited, a company incorporated in Samoa which is a wholly-owned subsidiary of the Company
“Sale Shares”	the aggregate of 2,250,000 ordinary shares of US\$1 each in the share capital of Smart Success, 1,850,000 of which were held by Mr. Lin and 400,000 of which were held by Mr. Chen immediately prior to Completion
“Shareholder”	shareholder of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Smart Success”	Smart Success Limited, a company incorporated in Samoa with limited liability, the issued capital of which was owned as to 36.5% by the Purchaser, 30.8% by Mr. Lin, 6.7% by Mr. Chen, and the remaining 26% by two individual shareholders who are independent of the Company and its connected persons immediately prior to Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendors”	Mr. Lin and Mr. Chen
“%”	per cent.

For the purposes of this circular, conversion of currencies has been calculated using the following exchange rate:

HK\$7.7745 = US\$1.00

NT\$31.7327 = US\$1.00

Such exchange rate has been used for the purposes of illustration only and do not constitute a representation that any amounts have been, could have been, or may be exchanged at such or any other rates.



巨騰國際控股有限公司

JU TENG INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3336)

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. Yu Chwo-Ming
Mr. Tsai Wen-Yu
Ms. 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

2 October 2007

**DISCLOSEABLE TRANSACTION
ACQUISITION OF 37.5% INTEREST IN
SMART SUCCESS ENTERPRISE LIMITED**

To the Shareholders

Dear Sir or Madam

1. INTRODUCTION

On 12 September 2007, the Board announced that the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendors for the acquisition of 37.5% interest in the share capital of Smart Success, an associated company of the Company incorporated in Samoa with limited liability which together with its subsidiaries, are principally engaged in the design, development, manufacture and sale of non-metal moulds.

The purpose of this circular is to provide you with information in relation to the Acquisition, the Acquisition Agreement and other information as required under the Listing Rules.

2. THE ACQUISITION AGREEMENT DATED 11 SEPTEMBER 2007

Parties

Purchaser: Giant Glory International Limited, a wholly-owned subsidiary of the Company.

Vendors: (i) Mr. Lin Mu-Lin
(ii) Mr. Chen Fong-Wei

To the best knowledge of the Directors and having made all reasonable enquiries, each of the Vendors is a third party independent of the Company and its connected persons.

Assets acquired

The Sale Shares, representing 37.5% of the issued share capital of Smart Success.

Consideration

The aggregate Consideration for the Acquisition was US\$2,925,000, which was fully settled by the Group in cash as to US\$2,405,000 to Mr. Lin and as to US\$520,000 to Mr. Chen upon Completion.

The Consideration was determined after arm-length's negotiations between the Group and the Vendors with reference to the audited consolidated net profit after taxation and extraordinary items of Smart Success for the year ended 31 December 2006 of NT\$43,024,000 (equivalent to approximately US\$1,356,000), its audited consolidated net asset value of approximately NT\$276,711,000 (equivalent to approximately US\$8,720,000) as at 31 December 2006 and the market potential of the business of Smart Success and its subsidiaries and their existing and expected continual growth.

The Consideration was settled by the internal resources of the Group.

Completion

Completion has taken place immediately after signing of the Acquisition Agreement.

3. INFORMATION ON SMART SUCCESS

Smart Success is a private company incorporated in Samoa on 12 April 2002 with limited liability, having an authorised share capital of US\$8,000,000 divided into 8,000,000 shares of US\$1 each, 6,000,000 shares of which have been issued and are fully paid and were beneficially owned as to 30.8% by Mr. Lin, 6.7% by Mr. Chen, 36.5% by the Group and 26% by two other individual shareholders who are independent of the Company and its connected persons.

LETTER FROM THE BOARD

Smart Success, together with its subsidiaries, are principally engaged in the design, development, manufacture and sale of non-metal moulds.

Based on the audited consolidated accounts of Smart Success which have been prepared in accordance with generally accepted accounting principles in Taiwan, the consolidated net asset value of Smart Success was approximately NT\$276,711,000 (equivalent to approximately US\$8,720,000) as at 31 December 2006. For the year ended 31 December 2006, the consolidated net profit before and after taxation and extraordinary items of Smart Success amounted to approximately NT\$48,442,000 (equivalent to approximately US\$1,527,000) and NT\$43,024,000 (equivalent to approximately US\$1,356,000) respectively. For the year ended 31 December 2005, the consolidated net profit before and after taxation and extraordinary items of Smart Success both amounted to approximately NT\$22,383,000 (equivalent to approximately US\$705,000).

Upon Completion, Smart Success is held as to 74% by the Company and has become an indirect non-wholly owned subsidiary of the Company and its financial results will be consolidated into the accounts of the Company. The remaining interest of Smart Success is held by two individual shareholders who are independent of the Company and its connected persons.

4. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has been principally engaged in the manufacturing and sale of notebook computer casings, parts and other related materials. Smart Success, together with its subsidiaries, are principally engaged in the design, development, manufacture and sale of non-metal moulds.

Mould production is one of the major production processes for the manufacturing of notebook computer casings. Although the Group had established its own mould production plant, it has not yet achieved a 100% self-sufficiency rate due to the robust growth in sales. Since the acquisition of 36.5% in Smart Success in February 2006, the Group has been sourcing certain moulds from Smart Success. The Group is able to expand its production capacity in mould production which will improve its cost and production efficiency through this upstream integration in order to facilitate the anticipated growth in sales of notebook computer casings.

Upon Completion, the Company will hold an increased beneficial interest in Smart Success. By obtaining a majority stake in Smart Success through the Acquisition, the Group will be able to exercise a substantial control over the management of, and financial benefits from, Smart Success and its subsidiaries. The Directors believe that the acquisition of greater control of Smart Success can facilitate the decision making process and therefore enhances the cooperation and synergies between Smart Success and other members of the Group. In view of the short lasting nature of nowadays business opportunities, the Directors believe that the Acquisition can boost the business operations of the Group as a whole.

LETTER FROM THE BOARD

As at 31 December 2006, the Group had total current assets of approximately HK\$2,542,529,000 (equivalent to approximately US\$327,034,000) while the total current liabilities were approximately HK\$2,488,280,000 (equivalent to approximately US\$320,057,000). The cash payment of approximately US\$2,925,000 for the Acquisition represented approximately 0.89% of the Group's total current assets. The Group has sufficient funds to pay for the Consideration, and after the Acquisition, the Group still has sufficient funds to settle its debts. According to the audited financial statements of Smart Success for the year ended 31 December 2006, the net profit before tax and extraordinary items and the net profit after tax and extraordinary items attributable to the equity shareholders of Smart Success amounted to approximately NT\$48,442,000 (equivalent to approximately US\$1,527,000) and NT\$43,024,000 (equivalent to approximately US\$1,356,000) respectively. Upon Completion, the Company's sharing of the profits after tax of Smart Success and its subsidiaries will increase from 36.5% to 74%. The results of Smart Success will be consolidated into and fully reflected on the Group's consolidated accounts, and the net asset value of the Group immediately after the Acquisition will increase. For these reasons, the Board believes that the Acquisition will have positive effect on the earnings of the Group and will not give rise to any material effect on the assets and liabilities of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition Agreement and the Consideration are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. DISCLOSEABLE TRANSACTION

As the applicable percentage ratios (as calculated in accordance with Rule 14.07 of the Listing Rules) for the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules.

6. ADDITIONAL INFORMATION

Your attention is drawn to 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

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 Securities and Futures Ordinance (“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 <i>(Note 1)</i>	Approximate percentage of shareholding
Mr. Cheng Li-Yu	The Company	Founder of a discretionary trust	273,556,986 Shares (L) <i>(Note 2)</i>	27.36%
	The Company	Beneficial owner	21,780,000 Shares (L)	2.18%
	The Company	Interest of spouse	10,518,046 Shares (L) <i>(Note 3)</i>	1.05%
Mr. Cheng Li-Yen	The Company	Beneficiary of a trust	273,556,986 Shares (L) <i>(Note 2)</i>	27.36%

Name of Director	Company/ name of associated corporation	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
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	5,262,432 Shares (L)	0.53%

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 (Note 1)	Approximate Percentage of Shareholding
Mr. Huang Kuo-Kuang	Beneficial owner	3,000,000 (L) (Note 2)	0.28% (Note 3)
Mr. Hsieh Wan-Fu	Beneficial owner	1,500,000 (L) (Note 2)	0.14% (Note 3)
Mr. Lo Jung-Te	Beneficial owner	1,500,000 (L) (Note 2)	0.14% (Note 3)
Mr. Tsui Yung Kwok	Beneficial owner	2,800,000 (L) (Note 4)	0.27% (Note 3)
	Beneficial owner	998,000 (L) (Note 2)	0.09% (Note 3)

Notes:

1. The letter "L" denotes a long position in the underlying Shares.
2. The long position in the underlying Shares comprised 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 under the post-IPO share option scheme ("Post-IPO Share Option Scheme") of the Company and such share options remained outstanding as at the Latest Practicable Date.
3. This percentage was calculated on the basis of 1,052,800,000 Shares in issue immediately following the exercise in full of all the options granted under the pre-IPO share option scheme ("**Pre-IPO Share Option Scheme**") and Post-IPO 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 2006, 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 per cent. 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 in the Company, 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	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 2)	27.36%
East Asia International Trustees Limited	The Company	Trustee (other than a bare trustee)	273,556,986 Shares (L) (Note 2)	27.36%
Ms. Lin Mei Li	The Company	Beneficial owner	10,518,046 Shares (L)	1.05%
	The Company	Interest of a spouse	295,336,986 Shares (L) (Note 3)	29.53%
Mr. Chen Yung-Chang	Smart Success	Beneficial owner	1,020,000 ordinary shares of US\$1 each (L)	17%
Win Smart Co., Ltd.	Mindforce Holdings Limited	Beneficial owner	4,500,000 ordinary shares of US\$1 each (L)	30%

Notes:

1. The letter "L" denotes the Shareholders' long position in the Shares of the Company and/or the relevant associated corporations.
2. 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.
3. 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 per cent. 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 the Company which was not determinable by the Company within one year without payment of compensation other than statutory compensation.

5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and his associates (as would be required to be disclosed under rule 8.01 of the Listing Rules if any of them was a controlling Shareholder) 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.

6. 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.

7. 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 and qualified accountant 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 and CPA Australia.
- (e) The English text of this circular shall prevail over its Chinese text.