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巨騰國際控股有限公司
JU TENG INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3336)

CONTINUING CONNECTED TRANSACTIONS
REVISION OF ANNUAL CAPS

Due to the increase in demand for the Products by the Compal Group and the Group's estimation of the demand for the Products by the Compal Group, the Company has revised and increased the Existing Annual Caps for each of the three years ending 31 December 2023 to the Revised Annual Caps.

By virtue of Rule 14A.101 of the Listing Rules, as (i) Compal is a connected person of the Company at the subsidiary level; (ii) the Revised Annual Caps are on normal commercial terms; and (iii) the Board (including all the independent non-executive Directors) has approved the Revised Annual Caps and confirmed that the Revised Annual Caps are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Revised Annual Caps are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Previous Announcement. Capitalised terms used herein shall have the same meanings as defined in the Previous Announcement unless the context requires otherwise. Pursuant to the Existing Compal Master Sales Agreements, the Group has been selling the Products to the Compal Group on an on-going basis.

Due to the increase in demand for the Products by the Compal Group and the Group's estimation of the demand for the Products by the Compal Group, the Company has revised and increased the Existing Annual Caps for each of the three years ending 31 December 2023 to the Revised Annual Caps.

For the nine months ended 30 September 2021, the sales of the Products by the Group to the Compal Group under the Existing Compal Master Sales Agreements amounted to approximately HK\$1,945 million, which accounted for approximately 78% of the Existing Annual Caps of HK\$2,496 million for the year ending 31 December 2021. Taking into account the sales amount of the Products to the Compal Group during the nine months ended 30 September 2021 and the recent estimation of the demand for the Products by the Compal Group, the Directors note that the demand for the Products by the Compal Group has been growing in a fast pace. Therefore, it is anticipated that the sale of the Products by the Group to the Compal Group under the Existing Compal Master Sales Agreements for each of the three years ending 31 December 2023 will exceed the Existing Annual Caps.

In light of the above and as it is expected that the Group and the Compal Group will continue to conduct the Transactions for each of the three years ending 31 December 2023, the Company has revised the Existing Annual Caps to cater for the increasing demand for the Products by the Compal Group.

Principal terms of the Existing Compal Master Sales Agreement

Despite the revision of Existing Annual Caps, the principal terms of the Existing Compal Master Sales Agreement remain unchanged. Please refer to the Previous Announcement for the principal terms of the Existing Compal Master Sales Agreements.

REVISION OF THE EXISTING ANNUAL CAPS

The Existing Annual Caps and actual transaction figures

The Existing Annual Caps for each of the three years ending 31 December 2023 are HK\$2,496 million, HK\$2,886 million and HK\$3,276 million, respectively.

For the nine months ended 30 September 2021, the actual sales amount of the Products by the Group to the Compal Group under the Existing Compal Master Sales Agreements was approximately HK\$1,945 million.

Revised Annual Caps and basis

The Company has revised the Existing Annual Caps for each of the three years ending 31 December 2023 to HK\$2,808 million, HK\$3,276 million and HK\$3,744 million, respectively.

The Revised Annual Caps were determined by the Company with reference to the following factors:

1. the historical actual amount of sale of the Products by the Group to the Compal Group under the Existing Compal Master Sales Agreements;
2. the most up-to-date estimation for the demand for the Products from the Compal Group following the increasing demands for commercial and educational versions of notebook computer to facilitate work from home and online learning arrangements during the COVID-19 outbreak; and
3. the expected business scale of the Compal Group in the remaining period of the year ending 31 December 2021 and the coming two years after taking into consideration the sales amount of the Products by the Group to the Compal Group during the nine months ended 30 September 2021 and the market trend of worldwide notebook computer and handheld devices industries.

REASONS FOR AND BENEFITS OF THE REVISION OF EXISTING ANNUAL CAPS

By the adoption of the Revised Annual Caps, the Group will be able to fulfil the expected demand for the Products from the Compal Group in the remaining period of the year ending 31 December 2021 and in each of the two years ending 31 December 2023. Given that the Compal Group is a well-known original design manufacturer and is involved in large scale production of notebook computer and handheld devices, the Directors believe that the continuation of the Transactions and maintaining of business relationship with the Compal Group can enhance the business and reputation of the Group. On the above basis, the Directors consider that the Group will benefit from the adoption of the Revised Annual Caps.

The Directors (including the independent non-executive Directors) considered the Revised Annual Caps are on normal commercial terms and in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE COMPAL GROUP

The Group has been principally engaged in the manufacturing and sale of casings for notebook computer and handheld devices. Giant Glory is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The Compal Group is principally engaged in the design and manufacturing of products of information and communication technology and the provision of related services. Compal is a company incorporated in Taiwan and listed on the Taiwan Stock Exchange Corporation (stock code: 2324.TT). The Directors confirmed that, to the best of their knowledge, information and belief having made all reasonable enquiry, the ultimate beneficial owner(s) of Compal are third parties independent of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, as Compal is a substantial shareholder of Wah Yuen Technology Holding Limited, a non-wholly owned subsidiary of the Company, Compal is a connected person of the Company at subsidiary level, the sales under the Existing Compal Master Sales Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, as (i) Compal is a connected person of the Company at the subsidiary level; (ii) the Revised Annual Caps are on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) has approved the Revised Annual Caps and confirmed that the Revised Annual Caps are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Revised Annual Caps are subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

None of the Directors has a material interest in the Transactions.

DEFINITIONS

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

“Existing Annual Caps”	the annual caps for the Transactions for the three years ending 31 December 2023, as stated in the Previous Announcement
“Existing Compal Master Sales Agreements”	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 sales of the Products by the Group to the Compal Group (as renewed by four renewal agreements entered into between Giant Glory and members of the Compal Group (i) on 15 November 2011 for the term commenced from 1 January 2012 and ended 31 December 2014 (both dates inclusive); (ii) on 31 December 2014 for the term commenced from 1 January 2015 and ended 31 December 2017 (both dates inclusive); (iii) on 27 December 2017 for the term commenced from 1 January 2018 and ended 31 December 2020 (both dates inclusive) ; and (iv) on 17 December 2020 for the term commenced from 1 January 2021 and ending 31 December 2023 (both dates inclusive))
“Previous Announcement”	announcement of the Company dated 17 December 2020 in relation to, among others, the continuing connected transactions contemplated under the Existing Compal Master Sales Agreements
“Revised Annual Caps”	the monetary amount of HK\$2,808 million, HK\$3,276 million and HK\$3,744 million, being the revised annual caps for the Transactions for each of the three years ending 31 December 2023 in respect of the Transactions
“Transactions”	the continuing connected transactions under the Existing Compal Master Sales Agreements

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

Hong Kong, 12 November 2021

As at the date of this announcement, the executive Directors are Mr. Cheng Li-Yu, Mr. Chiu Hui-chin, Mr. Huang Kuo-Kuang, Mr. Lin Feng-Chieh and Mr. Tsui Yung Kwok, and the independent non-executive Directors are Mr. Cherng Chia-Jiun, Mr. Tsai Wen-Yu and Mr. Yip Wai Ming.