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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 an unexpected increase in demand for the Products by each of the Compal Group and the Wistron Group towards the end of 2021, the Company has revised and increased the annual caps for the Compal Transactions and the Wistron Transactions for the year ending 31 December 2021.

By virtue of Rule 14A.101 of the Listing Rules, as (i) each of Compal and Wistron is a connected person of the Company at the subsidiary level; (ii) the Revised Compal Annual Cap and the Revised Wistron Annual Cap are on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) has approved both the Revised Compal Annual Cap and the Revised Wistron Annual Cap and confirmed that the Revised Compal Annual Cap and the Revised Wistron Annual Cap are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Revised Compal Annual Cap and the Revised Wistron Annual Cap 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 (i) the announcement dated 17 December 2020 in relation to, the Wistron Transactions; and (ii) the announcements of the Company dated 17 December 2020 and 12 November 2021 in relation to, among others, the Compal Transactions and the revision of annual caps for the three years ending 31 December 2023 in relation to the Compal Transactions. Capitalised terms used herein shall have the same meanings as defined in the announcement of the Company dated 17 December 2020 unless the context requires otherwise. Pursuant to the Existing Compal Master Sales Agreement and the Existing Wistron Master Sales Agreement, the Group has been selling the Products to the Compal Group and the Wistron Group on an on-going basis.

Due to an unexpected increase in demand for the Products by each of the Compal Group and the Wistron Group towards the end of 2021, the Company has revised and increased the annual caps for the Compal Transactions and the Wistron Transactions for the year ending 31 December 2021.

THE COMPAL TRANSACTIONS

For the 10 months ended 31 October 2021, the sales of the Products by the Group to the Compal Group under the Existing Compal Master Sales Agreement amounted to approximately HK\$2,213 million, which accounted for approximately 79 % of the existing annual cap of HK\$2,808 million for the year ending 31 December 2021. Further to the revision of annual cap for the Compal Transactions as announced by the Company on 12 November 2021, the Company has received an unexpected increase in purchase orders from the Compal Group towards the end of 2021. Therefore, it is anticipated that the sales of the Products by the Group to the Compal Group under the Existing Compal Master Sales Agreement for the year ending 31 December 2021 will exceed the existing annual cap of HK\$2,808 million.

In light of the above, the Company has further revised the annual cap for the Compal Transactions for the year ending 31 December 2021 to HK\$2,886 million to cater for the increasing demand of the Products by the Compal Group. As the expected demand for the Products from the Compal Group for the two years ending 31 December 2023 remains the same as at the date of this announcement, it is not necessary to revise the annual caps for the Compal Transactions for each of the two years ending 31 December 2023.

The Revised Compal Annual Cap was 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; and
2. the most up-to-date estimation for the demand for the Products from the Compal Group following the unexpected increase in demand for commercial and educational versions of notebook computer to facilitate work from home and online learning arrangements during the COVID-19 outbreak.

Despite the revision of annual cap, the principal terms of the Existing Compal Master Sales Agreement remain unchanged. Please refer to the announcement of the Company dated 17 December 2020 for the principal terms of the Existing Compal Master Sales Agreement.

THE WISTRON TRANSACTIONS

For the 10 months ended 31 October 2021, the sales of the Products by the Group to the Wistron Group under the Existing Wistron Master Sales Agreement amounted to approximately HK\$740 million, which accounted for approximately 79 % of the existing annual cap of HK\$936 million for the year ending 31 December 2021. As the Company has received an unexpected increase in purchase

orders from the Wistron Group towards the end of 2021, it is anticipated that the sales of the Products by the Group to the Wistron Group under the Existing Wistron Master Sales Agreement for the year ending 31 December 2021 will exceed the existing annual cap of HK\$936 million.

In light of the above, the Company has revised the annual cap for the Wistron Transactions for the year ending 31 December 2021 to HK\$959 million to cater for the increasing demand of the Products by the Wistron Group. As the expected demand for the Products from the Wistron Group for the two years ending 31 December 2023 remains the same as at the date of this announcement, it is not necessary to revise the annual caps for the Wistron Transactions for each of the two years ending 31 December 2023.

The Revised Wistron Annual Cap was 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 Wistron Group under the Existing Wistron Master Sales Agreement; and
2. the most up-to-date estimation for the demand for the Products from the Wistron Group following the unexpected increase in demand for commercial and educational versions of notebook computer to facilitate work from home and online learning arrangements during the COVID-19 outbreak.

Despite the revision of annual cap, the principal terms of the Existing Wistron Master Sales Agreement remain unchanged. Please refer to the announcement of the Company dated 17 December 2020 for the principal terms of the Existing Wistron Master Sales Agreement.

REASONS FOR AND BENEFIT OF THE REVISION OF ANNUAL CAPS

By the adoption of the Revised Compal Annual Cap and the Revised Wistron Annual Cap, the Group will be able to fulfil the unexpected increase in demand for the Products from the Compal Group and the Wistron Group in the remaining period in the year ending 31 December 2021. Given that both the Compal Group and the Wistron Group are well-known original design manufacturers and are involved in large scale production of notebook computer and handheld devices, the Directors believe that the continuation of the Compal Transactions and the Wistron Transactions and maintaining of business relationship with the Compal Group and the Wistron 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 Compal Annual Cap and the Revised Wistron Annual Cap.

The Directors (including the independent non-executive Directors) considered the Revised Compal Annual Cap and the Revised Wistron Annual Cap 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, THE COMPAL GROUP AND THE WISTRON 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.

The Wistron Group is principally engaged in the design and manufacturing of products of information and communication technology and the provision of related services. Wistron is a company incorporated in Taiwan and listed on the Taiwan Stock Exchange Corporation (stock code: 3231.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 Wistron 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.

As at the date of this announcement, as Wistron is a substantial shareholder of Mindforce Holdings Limited, a non-wholly owned subsidiary of the Company, Wistron is a connected person of the Company at subsidiary level, the sales under the Existing Wistron 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) each of Compal and Wistron is a connected person of the Company at the subsidiary level; (ii) the Revised Compal Annual Cap and the Revised Wistron Annual Cap are on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) has approved both the Revised Compal Annual Cap and the Revised Wistron Annual Cap and confirmed that the Revised Compal Annual Cap and the Revised Wistron Annual Cap are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Revised Compal Annual Cap and the Revised Wistron Annual Cap 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.

None of the Directors have a material interest in the Compal Transactions and the Wistron Transactions.

DEFINITIONS

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

- “Compal Transactions” the continuing connected transactions under the Existing Compal Master Sales Agreements
- “Existing 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 sales of the Products by the Group to the Compal Group for the term commenced from 1 January 2009 and ended 31 December 2011 (both dates inclusive) (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))
- “Existing 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 sales of the Products by the Group to the Wistron Group for the term commenced from 1 January 2009 and ended 31 December 2011 (both dates inclusive) (as renewed by four renewal agreements entered into between the same parties (i) on 31 October 2011 for the term commenced from 1 January 2012 and ended 31 December 2014 (both dates inclusive); (ii) on 16 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))

“Revised Compal Annual Cap”	the monetary amount of HK\$2,886 million, being the revised annual cap for the Compal Transactions for the year ending 31 December 2021 in respect of the Compal Transactions
“Revised Wistron Annual Cap”	the monetary amount of HK\$959 million, being the revised annual cap for the Wistron Transactions for the year ending 31 December 2021 in respect of the Wistron Transactions
“Wistron Transactions”	the continuing connected transactions under the Existing Wistron Master Sales Agreements

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

Hong Kong, 20 December 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.