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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)

MAJOR TRANSACTION

DISPOSAL OF LAND AND PROPERTY IN RELATION TO LAND RESUMPTION

THE DACHANG RESUMPTION AGREEMENT I

On 22 November 2023, Dachang Suzhou, an indirect wholly owned subsidiary of the Company, entered into the Dachang Resumption Agreement I with the Local Authority, pursuant to which, among other things, the Local Authority agrees to resume, and Dachang Suzhou agrees to surrender, the Dachang I Land together with the Dachang I Properties at the consideration of approximately RMB145.3 million (equivalent to approximately HK\$158.7 million) payable by the Local Authority.

THE DACHANG RESUMPTION AGREEMENT II

On 22 November 2023, Dachang Suzhou, an indirect wholly owned subsidiary of the Company, entered into the Dachang Resumption Agreement II with Huaying Wujiang, pursuant to which, among other things, Huaying Wujiang agrees to resume, and Dachang Suzhou agrees to surrender, the Dachang II Land together with the Dachang II Properties at the consideration of approximately RMB356.3 million (equivalent to approximately HK\$389.1 million) payable by Huaying Wujiang.

THE DADING RESUMPTION AGREEMENT

On 22 November 2023, Wujiang Dading, an indirect wholly owned subsidiary of the Company, entered into the Dading Resumption Agreement with Huaying Wujiang, pursuant to which, among other things, Huaying Wujiang agrees to resume, and Wujiang Dading agrees to surrender, the Dading Land together with the Dading Properties at the consideration of approximately RMB78.4 million (equivalent to approximately HK\$85.6 million) payable by Huaying Wujiang.

LISTING RULES IMPLICATIONS

Huaying Wujiang is ultimately owned as to 100% by the Local Authority. Pursuant to Rule 14.23 of the Listing Rules, the transactions contemplated under the Resumption Agreements shall be aggregated since they are all entered into by the Group with the same party or with parties connected or otherwise associated with one another in relation to the resumption of land and properties in Wusong Jiang, Suzhou.

As one or more of the highest relevant percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Resumption Agreements, when aggregated together, is more than 25% but less than 75%, the transactions contemplated under Resumption Agreements in aggregate constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Resumption Agreements will be subject to the approval by Shareholders at the EGM. The EGM will be held by the Company for the Shareholders to consider, and if thought fit, pass the resolutions to approve each of the Resumption Agreements and the transactions contemplated thereunder. A circular containing, among other things, (i) details of the Resumption; (ii) a property valuation report in respect of the land and properties proposed to be resumed under the Resumption Agreements; (iii) notice of the EGM; and (iv) other disclosures required under the Listing Rules, will be despatched to the Shareholders on or before 13 December 2023 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

The Resumption is conditional upon the satisfaction of the certain conditions. Shareholders and potential investors of the Company are reminded to exercise cautions when dealing in the securities of the Company and, if in any doubt, are recommended to consult their professional adviser(s).

DACHANG RESUMPTION AGREEMENT I

On 22 November 2023, Dachang Suzhou, an indirect wholly owned subsidiary of the Company, entered into the Dachang Resumption Agreement I with the Local Authority, pursuant to which, among other things, the Local Authority agrees to resume, and Dachang Suzhou agrees to surrender, the Dachang I Land together with the Dachang I Properties at the consideration of approximately RMB145.3 million (equivalent to approximately HK\$158.7 million) payable by the Local Authority.

MAJOR TERMS

Date

22 November 2023

Parties

- (i) The Local Authority; and
- (ii) Dachang Suzhou.

Assets to be resumed

Pursuant to the Dachang Resumption Agreement I, the Local Authority agrees to compensate Dachang Suzhou an amount of approximately RMB145.3 million (equivalent to approximately HK\$158.7 million) for resuming the Dachang I Land together with the Dachang I Properties.

Dachang Suzhou shall be given a period of eight months from the date of the Dachang Resumption Agreement I to vacate from the Dachang I Land and Dachang I Properties. Upon the expiry of such period and written confirmation by the parties, Dachang Suzhou shall unconditionally vacate from Dachang I Land and Dachang I Properties and hand over the same to the Local Authority.

Consideration and payment terms

The consideration of approximately RMB145.3 million (equivalent to approximately HK\$158.7 million) under the Dachang Resumption Agreement I was agreed between the Local Authority and Dachang Suzhou after arm's length negotiation with reference to (1) the appraised market value of the Dachang I Land and Dachang I Properties as determined by a property valuer appointed by the Local Authority of approximately RMB86.7 million (equivalent to approximately HK\$94.7 million); (2) the appraised market value of the Dachang I Land and Dachang I Properties as determined by a property valuer appointed by Dachang Suzhou of approximately RMB103.2 million (equivalent to approximately HK\$112.7 million); and (3) compensation for relocation pursuant to the laws, regulations and procedures applicable to resumption of enterprise land in the Wujiang district, Suzhou.

The Local Authority shall pay the consideration according to payment schedule as follows:

1. 10% of the consideration, being approximately RMB14.5 million (equivalent to approximately HK\$15.9 million), shall be payable within 30 business days of signing the Dachang Resumption Agreement I;
2. 20% of the consideration, being approximately RMB29.1 million (equivalent to approximately HK\$31.8 million), shall be payable within 30 business days of the surrender of the original immovable property certificate* (不動產權證書) relating to the Dachang I Land by Dachang Suzhou, confirmation that the Dachang I Land is free from any mortgage, and the submission of the applications for the land resumption and cancellation of the immovable property certificate relating to the Dachang I Land to the relevant authorities;

3. 40% of the consideration, being approximately RMB58.1 million (equivalent to approximately HK\$63.4 million), shall be payable within 30 business days of completing the formalities for land resumption and cancellation of the immovable property certificate relating to the Dachang I Land ; and
4. 30% of the consideration, being approximately RMB43.6 million (equivalent to approximately HK\$47.6 million), shall be payable within 30 business days of the vacation and handover by Dachang Suzhou of the Dachang I Land and Dachang I Properties.

CONDITIONS PRECEDENT

Completion shall be conditional upon the following conditions precedent:

1. The Company having complied with all disclosure requirements under the Listing Rules in respect of the transactions contemplated under the Dachang Resumption Agreement I; and
2. Approval from the Board, the Shareholders and any competent regulatory authority for the Dachang Resumption Agreement I and the transactions contemplated thereunder having been obtained by the Company in accordance with the Listing Rules.

If any of the above conditions precedent are not fulfilled, the Dachang Resumption Agreement I shall not proceed to completion.

DACHANG RESUMPTION AGREEMENT II

On 22 November 2023, Dachang Suzhou, an indirect wholly owned subsidiary of the Company, entered into the Dachang Resumption Agreement II with Huaying Wujiang, pursuant to which, among other things, Huaying Wujiang agrees to resume, and Dachang Suzhou agrees to surrender, the Dachang II Land together with the Dachang II Properties at the consideration of approximately RMB356.3 million (equivalent to approximately HK\$389.1 million) payable by Huaying Wujiang.

MAJOR TERMS

Date

22 November 2023

Parties

- (i) Huaying Wujiang; and
- (ii) Dachang Suzhou.

Assets to be resumed

Pursuant to the Dachang Resumption Agreement II, Huaying Wujiang agrees to compensate Dachang Suzhou an amount of approximately RMB356.3 million (equivalent to approximately HK\$389.1 million) for resuming the Dachang II Land together with the Dachang II Properties.

Dachang Suzhou shall be given a period of eight months from the date of the Dachang Resumption Agreement II to vacate from the Dachang II Land and Dachang II Properties. Upon the expiry of such period and written confirmation by the parties, Dachang Suzhou shall unconditionally vacate from Dachang II Land and Dachang II Properties and hand over the same to Huaying Wujiang.

Consideration and payment terms

The consideration of approximately RMB356.3 million (equivalent to approximately HK\$389.1 million) under the Dachang Resumption Agreement II was agreed between Huaying Wujiang and Dachang Suzhou after arm's length negotiation with reference to (1) appraised market value of the Dachang II Land and Dachang II Properties as determined by a property valuer appointed by Huaying Wujiang of approximately RMB262.5 million (equivalent to approximately HK\$286.7 million); (2) the appraised market value of the Dachang II Land and Dachang II Properties as determined by a property valuer appointed by the Dachang Suzhou of approximately RMB311.5 million (equivalent to approximately HK\$340.2 million); and (3) compensation for relocation pursuant to the laws, regulations and procedures applicable to resumption of enterprise land in the Wujiang district, Suzhou.

Huaying Wujiang shall pay the consideration according to payment schedule as follows:

1. 10% of the consideration, being approximately RMB35.6 million (equivalent to approximately HK\$38.9 million), shall be payable within 30 business days of signing the Dachang Resumption Agreement II;
2. 20% of the consideration, being approximately RMB71.3 million (equivalent to approximately HK\$77.9 million), shall be payable within 30 business days of the surrender of the original immovable property certificate relating to the Dachang II Land by Dachang Suzhou, confirmation that the Dachang II Land is free from any mortgage, and the submission of the applications for the land resumption and cancellation of the immovable property certificate relating to the Dachang II Land to the relevant authorities;
3. 40% of the consideration, being approximately RMB142.5 million (equivalent to approximately HK\$155.6 million), shall be payable within 30 business days of completing the formalities for land resumption and cancellation of the immovable property certificate relating to the Dachang II Land; and
4. 30% of the consideration, being approximately RMB106.9 million (equivalent to approximately HK\$116.7 million), shall be payable within 30 business days of the vacation and handover by Dachang Suzhou of the Dachang II Land and the Dachang II Properties.

CONDITIONS PRECEDENT

Completion shall be conditional upon the following conditions precedent:

1. The Company having complied with all disclosure requirements under the Listing Rules in respect of the transactions contemplated under the Dachang Resumption Agreement II; and
2. Approval from the Board, the Shareholders and any competent regulatory authority for the Dachang Resumption Agreement II and the transactions contemplated thereunder having been obtained by the Company in accordance with the Listing Rules.

If any of the above conditions precedent are not fulfilled, the Dachang Resumption Agreement II shall not proceed to completion.

THE DADING RESUMPTION AGREEMENT

On 22 November 2023, Wujiang Dading, an indirect wholly owned subsidiary of the Company, entered into the Dading Resumption Agreement with Huaying Wujiang, pursuant to which, among other things, Huaying Wujiang agrees to resume, and Wujiang Dading agrees to surrender, the Dading Land together with the Dading Properties at the consideration of approximately RMB78.4 million (equivalent to approximately HK\$85.6 million) payable by Huaying Wujiang.

MAJOR TERMS

Date

22 November 2023

Parties

- (i) Huaying Wujiang; and
- (ii) Wujiang Dading.

Assets to be resumed

Pursuant to the Dading Resumption Agreement, Huaying Wujiang agrees to compensate Wujiang Dading an amount of approximately RMB78.4 million (equivalent to approximately HK\$85.6 million) for resuming the Dading Land together with the Dading Properties.

Wujiang Dading shall be given a period of eight months from the date of the Dading Resumption Agreement to vacate from the Dading Land and Dading Properties. Upon the expiry of such period and written confirmation by the parties, Wujiang Dading shall unconditionally vacate from Dading Land and Dading Properties and hand over the same to Huaying Wujiang.

Consideration and payment terms

The consideration of approximately RMB78.4 million (equivalent to approximately HK\$85.6 million) under the Dading Resumption Agreement was agreed between Huaying Wujiang and Wujiang Dading after arm's length negotiation with reference to (1) the appraised market value of the Dading Land and Dading Properties as determined by a property valuer appointed by Huaying Wujiang, of approximately RMB 69.6 million (equivalent to approximately HK\$ 76.0 million); (2) the appraised market value of the Dading Land and Dading Properties as determined by a property valuer appointed by Wujiang Dading of approximately RMB87.8 million (equivalent to approximately HK\$95.9 million); and (3) compensation for relocation pursuant to the laws, regulations and procedures applicable to resumption of enterprise land in the Wujiang district, Suzhou.

Huaying Wujiang shall pay the consideration according to payment schedule as follows:

1. 10% of the consideration, being approximately RMB7.8 million (equivalent to approximately HK\$8.5 million), shall be payable within 30 business days of signing the Dading Resumption Agreement;
2. 20% of the consideration, being approximately RMB15.7 million (equivalent to approximately HK\$17.1 million), shall be payable within 30 business days of the surrender of the original immovable property certificate relating to the Dading Land by Wujiang Dading, confirmation that the Dading Land is free from any mortgage, and the submission of the applications for the land resumption and cancellation of the immovable property certificate relating to the Dading Land to the relevant authorities;
3. 40% of the consideration, being approximately RMB31.4 million (equivalent to approximately HK\$34.3 million), shall be payable within 30 business days of completing the formalities for land resumption and cancellation of the immovable property certificate relating to the Dading Land; and
4. 30% of the consideration, being approximately RMB23.5 million (equivalent to approximately HK\$25.7 million), shall be payable within 30 business days of the vacation and handover by Wujiang Dading of the Dading Land and Dading Properties.

CONDITIONS PRECEDENT

Completion shall be conditional upon the following conditions precedent:

1. The Company having complied with all disclosure requirements under the Listing Rules in respect of the transactions contemplated under the Dading Resumption Agreement; and
2. Approval from the Board, the Shareholders and any competent regulatory authority for the Dading Resumption Agreement and the transactions contemplated thereunder having been obtained by the Company in accordance with the Listing Rules.

If any of the above conditions precedent are not fulfilled, the Dading Resumption Agreement shall not proceed to completion.

REASONS FOR ENTERING INTO THE RESUMPTION AGREEMENTS

In response to the needs of urban planning and management as part of the local government's efforts to renew usage of industrial land and optimize the efficiency of land use and residential environment, the Local Authority has advised that the Resumed Land are situated on parcels of land demarcated for resumption pursuant to the Implementation Measures for Enterprise Land Repurchase in Wujiang District, Suzhou City* (蘇州市吳江區企業用地回購實施辦法) and other relevant laws, regulations and policies.

The Resumed Properties were built a long time ago and form non-core assets of the Group and constitute a relatively low income stream for the Group. The Board considers that the Resumption Agreements would offer the Group fair compensation for the Resumption and would allow the Group to realise the value of its investment in the Resumed Land and Resumed Properties and to enhance the liquidity and strengthen the financial position of the Group.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Resumption Agreements are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE RESUMPTION AND PROPOSED USE OF PROCEEDS

As at 31 October 2023, the unaudited carrying value of the Resumed Land and Resumed Properties was approximately RMB14.1 million and approximately RMB70.2 million, respectively (equivalent to approximately HK\$15.4 million and approximately HK\$76.7 million, respectively).

The Resumption is expected to enable the Group to recognize an unaudited gain of approximately RMB495.7 million (equivalent to approximately HK\$541.3 million), being the difference between the aggregate consideration receivable by the Group under the Resumption Agreements over the above-mentioned carrying value of the Resumed Land and Resumed Properties before any expenses and tax. Actual gain in relation to the Resumption is subject to assessment and audit upon completion of the Resumption Agreements. Such calculation is only an estimate provided for illustrative purposes and the accounting treatment of the Resumption will be subject to further review by the auditors of the Company.

The consideration from the Resumption Agreements will be applied towards general working capital of the Group as well as establishment of the growing production base in Vietnam.

INFORMATION ON THE GROUP AND THE PARTIES

The Company is an investment holding company, and the Group is principally engaged in the manufacture and sale of casings for notebook computer and handheld devices.

The Local Authority is responsible for, among others, formulating and organising the implementation of the economic and social development plans and administrative regulations of the Wujiang Economic and Technological Development Zone, and administering centralised land planning and management.

Huaying Wujiang is ultimately owned as to 100% by the Local Authority and, according to its business license, is permitted to engage in, among others, flat-panel displays, notebook computers, LCD televisions and modules manufacturing, repair and sale, provision of management and technical consulting services, and rentals of non-residential property.

The Directors confirmed that, to the best of their knowledge, information and belief, having made all reasonable enquiries, Huaying Wujiang, the Local Authority and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

Huaying Wujiang is ultimately owned as to 100% by the Local Authority. Pursuant to Rule 14.23 of the Listing Rules, the transactions contemplated under the Resumption Agreements shall be aggregated since they are all entered into by the Group with the same party or with parties connected or otherwise associated with one another in relation to the resumption of land and property within the Wujiang District.

As the highest relevant percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Resumption Agreements, when aggregated together, is more than 25% but less than 75%, the transactions contemplated under Resumption Agreements in aggregate constitute a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Resumption Agreements will be subject to the approval by Shareholders at the EGM. The EGM will be held by the Company for the Shareholders to consider, and if thought fit, pass the resolutions to approve each of the Resumption Agreements and the transactions contemplated thereunder. A circular containing, among other things, (i) details of the resumption under the Resumption Agreements; (ii) a property valuation report in respect of the properties proposed to be resumed under the Resumption Agreements; (iii) notice of the EGM; and (iv) other disclosures required under the Listing Rules, will be despatched to the Shareholders on or before 13 December 2023 to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

The Resumption is conditional upon the satisfaction of the certain conditions. Shareholders and potential investors of the Company are reminded to exercise cautions when dealing in the securities of the Company and, if in any doubt, are recommended to consult their professional adviser(s).

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Ju Teng International Holdings Limited, a company incorporated under the law of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Dachang Suzhou”	Everyday Computer Components (Suzhou) Co., Ltd (大昶電腦配件(蘇州)有限公司), an indirect wholly owned subsidiary of the Company
“Dachang I Land”	two parcels of industrial land located west of Jiulong Road and west of Jiaotong Road, Wujiang, Suzhou, Jiangsu, the PRC with an aggregate site area of approximately 17,193.5 m ² proposed to be resumed under the Dachang Resumption Agreement I
“Dachang I Properties”	the buildings, assets and other fixtures upon the Dachang I Land

“Dachang II Land”	four parcels of industrial land located west of Jiulong Road, west of Jiaotong Road, Guajinglu No. 2 and east of Zhongshan North Road, Wujiang, Suzhou, Jiangsu, the PRC with an aggregate site area of approximately 111,401.6 m ² proposed to be resumed under the Dachang Resumption Agreement II
“Dachang II Properties”	the buildings, assets and other fixtures upon the Dachang II Land
“Dachang Resumption Agreement I”	the agreement dated 22 November 2023 entered into between Dachang Suzhou and the Local Authority in relation to the resumption of the Dachang I Land and Dachang I Properties
“Dachang Resumption Agreement II”	the agreement dated 22 November 2023 entered into between Dachang Suzhou and Huaying Wujiang in relation to the resumption of the Dachang II Land and Dachang II Properties
“Dading Land”	The parcel of land located at south of Guajing West with a site area of 32,581.8 m ² proposed to be resumed under the Dading Resumption Agreement
“Dading Properties”	the buildings, assets and other fixtures upon the Dading Land
“Dading Resumption Agreement”	the agreement dated 22 November 2023 entered into between Wujiang Dading and Huaying Wujiang in relation to the resumption of the Dading Land and Dading Properties
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve the Resumption
“Huaying Wujiang”	Huaying Shixun (Wujiang) Co., Ltd* (華映視訊(吳江)有限公司), a limited liability company established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Local Authority”	Wujiang Economic and Technological Development Zone Management Committee (吳江經濟技術開發區管理委員會)

“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Resumption”	the resumption of the Resumed Land and Resumed Properties pursuant to the Resumption Agreements
“Resumption Agreements”	the Dachang Resumption Agreement I, the Dachang Resumption Agreement II and the Dading Resumption Agreement
“Resumed Land”	the Dachang Land I, the Dachang Land II and the Dading Land
“Resumed Properties”	the Dachang Properties I, the Dachang Properties II and the Dading Properties
“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Wujiang Dading”	Wujiang Dading Precision Mould Co., Ltd (吳江大鼎精密模具有限公司), an indirect wholly owned subsidiary of the Company

In this announcement, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1 = HK\$1.092. Such exchange rate has been used, where applicable, for purpose of illustration only and does not constitute representation that any amounts were or may have been exchanged at such rate or any other rates.

* *For identification purposes only*

By order of the Board
Ju Teng International Holdings Limited
Cheng Li-Yu
Chairman and Chief Executive Officer

Hong Kong, 22 November 2023

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, the non-executive Director is Mr. Cheng Li-Yen and the independent non-executive Directors are Mr. Cherng Chia-Jiun, Mr. Tsai Wen-Yu, Mr. Yip Wai Ming and Mr. Yuen Chi Ho.