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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)

DISCLOSEABLE TRANSACTION

CONSTRUCTION AGREEMENT IN RELATION TO THIRD PHASE OF CONSTRUCTION OF THE VIETNAM PRODUCTION PLANT

THE THIRD CONSTRUCTION AGREEMENT

On 13 December 2023, Ju Teng Vietnam, an indirect, non-wholly-owned subsidiary of the Company, entered into the Third Construction Agreement with the Contractor in relation to the third phase of construction of the Vietnam Production Plant. The consideration payable by Ju Teng Vietnam under the Third Construction Agreement is approximately VND159,335,222,000, equivalent to approximately HK\$51,143,000.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.23 of the Listing Rules, the transaction contemplated under the Third Construction Agreement shall be aggregated with those under the First Construction Agreement and Second Construction Agreement since all three agreements were entered into by the Group with the same party in relation to the construction of the Vietnam Production Plant.

As the highest relevant percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Construction Agreements exceeds 5% but is less than 25%, the transactions contemplated under the Construction Agreements on an aggregated basis constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

Reference is made to the announcements of the Company dated 30 December 2021, 26 January 2022, 24 June 2022, 25 September 2023, 3 November 2023, 11 November 2023 and 16 November 2023 regarding, among others, the acquisition of the land use right of land in Vietnam and the first and second phases of construction of the production plant thereon. Capitalised terms used herein shall have the same meanings as defined in the announcements of the Company dated 25 September 2023 and 3 November 2023 (the “**Announcements**”) unless the otherwise defined.

On 13 December 2023, Ju Teng Vietnam, an indirect, non-wholly-owned subsidiary of the Company, entered into the Third Construction Agreement with the Contractor in relation to the third phase of construction of the Vietnam Production Plant. The consideration payable by Ju Teng Vietnam under the Third Construction Agreement is approximately VND159,335,222,000, equivalent to approximately HK\$51,143,000.

MAJOR TERMS OF THE THIRD CONSTRUCTION AGREEMENT

Date

13 December 2023

Parties

- (i) Ju Teng Vietnam, an indirect, non-wholly-owned subsidiary of the Company; and
- (ii) the Contractor.

Subject matter

Under the Third Construction Agreement, the Contractor has agreed to provide design drawings and work plans for the third phase of construction of the Vietnam Production Plant and to carry out the Construction Work in accordance with the same.

The Construction Work is expected to be completed on or around 30 April 2024, or to such later date which Ju Teng Vietnam may agree to extend.

Should the Contractor fail to complete the Construction Work in accordance with the construction timetable as agreed between the parties, the Contractor shall be liable to pay a penalty of approximately VND116,000,000 (equivalent to approximately HK\$37,000) for each day of delay of completion of the Construction Work, but the Contractor’s liability in respect of such penalty shall be capped at 3% of the total consideration payable under the Third Construction Agreement.

The Contractor shall also be responsible for rectifying or repairing any damage or defects of the Construction Work (if any) during the Warranty Period within a specified period free of additional charge, failing which Ju Teng Vietnam shall be entitled to deduct the repairing cost from the Warranty Fund and claim from the Contractor any repairing cost exceeding the Warranty Fund.

Consideration and payment terms

The amount of consideration payable by Ju Teng Vietnam under the Third Construction Agreement is approximately VND159,335,222,000, equivalent to approximately HK\$51,143,000.

The total consideration payable was determined after arm's length negotiations between the parties and on normal commercial terms with reference to (i) the proposed design and requisite standards of the Construction Work; (ii) the experience, competency and market position of the Contractor; (iii) the scale, anticipated material and labour costs for the Construction Work; and (iv) the prevailing market prices for carrying out construction work of comparable scale and complexity in Vietnam.

The total consideration shall be paid in instalments in the manner set out below:

- (1) 15% of the total consideration (in the amount of approximately VND23,900,283,000, equivalent to approximately HK\$7,671,000) shall be payable within 20 business days after the signing of the Third Construction Agreement as advance payment (the "**Advance Payment**");
- (2) 45% of the total consideration (in the amount of approximately VND71,700,850,000, equivalent to approximately HK\$23,015,000) shall be payable in instalments according to the completion progress of specified stages of the Construction Work in accordance with the payment schedule agreed by the parties;
- (3) 20% of the total consideration (in the amount of approximately VND31,867,045,000, equivalent to approximately HK\$10,229,000) shall be payable within 21 business days of receiving the invoice from the Contractor to be issued after completion of all Construction Work and obtaining approval from the competent authority in relation to fire safety systems and apparatus;
- (4) 15% of the total consideration (in the amount of approximately VND23,900,283,000, equivalent to approximately HK\$7,671,000) shall be payable within 21 business days of receiving the invoice from the Contractor to be issued after passing the acceptance check and after the requisite certificates and documents have been delivered to Ju Teng Vietnam; and
- (5) 5% of the total consideration (in the amount of approximately VND7,966,761,000, equivalent to approximately HK\$2,557,000) shall be retained as the Warranty Fund which will be paid in instalments as stipulated in the Third Construction Agreement throughout the Warranty Period.

The consideration shall be financed by the internal resources of the Group and bank borrowings available to the Group.

LETTERS OF GUARANTEE OF ADVANCE PAYMENT AND CONTRACT PERFORMANCE

The Contractor shall provide Ju Teng Vietnam with letters of guarantee issued by bank within 5 business days from signing the Third Construction Agreement, guaranteeing, among others, the application of the Advance Payment, the progress of the Construction Work, construction quality and raw material quality. The aggregate amount of the letters of guarantee is equivalent to 25% of the consideration payable by Ju Teng Vietnam under the Third Construction Agreement

REASONS FOR AND BENEFITS OF ENTERING INTO THE THIRD CONSTRUCTION AGREEMENT

As disclosed in the Announcements, due to the relatively low cost of production in Vietnam, the Company has strategically identified Vietnam as the ideal location for production of casings for notebook computer and automotive parts. Construction of the Vietnam Production Plant is underway pursuant to the First Construction Agreement and Second Construction Agreement, and such construction shall be furthered by the Third Construction Agreement. The construction of the Vietnam Production Plant is in line with the Group's strategy of taking better advantage of the global supply chain, enhancing cost efficiency and seizing the development opportunities in Vietnam's manufacturing industry. As such, the Board considers that the entering into the Third Construction Agreement is beneficial to the Group.

The Directors (including the independent non-executive Directors) believe that the terms of the Third Construction Agreement are fair and reasonable and are in the interests of the Group and Shareholders as a whole.

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 Contractor is principally engaged in the provision of design and building services in industrial and civil construction headquartered in Vietnam and its ultimate beneficial owners are Lê Anh Hùng (黎英雄), Trần Ngọc Tân (陳玉新), Nguyễn Mạnh Hùng (阮孟雄) and Lê Anh Dũng (黎英勇). The Directors confirmed that, to the best of their knowledge, information and belief, having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.23 of the Listing Rules, the transaction contemplated under the Third Construction Agreement shall be aggregated with those under the First Construction Agreement and Second Construction Agreement since all three agreements were entered into by the Group with the same party in relation to the construction of the Vietnam Production Plant.

As the highest relevant percentage ratio as defined under Rule 14.07 of the Listing Rules in respect of the Construction Agreements exceeds 5% but is less than 25%, the transactions contemplated under the Construction Agreements on an aggregated basis constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Construction Agreements”	the First Construction Agreement ,the Second Construction Agreement and the Third Construction Agreement
“Construction Work”	the construction work for the third phase of construction of the Vietnam Production Plant pursuant to the Third Construction Agreement
“Third Construction Agreement”	the construction agreement (and the ancillary documents thereto) dated 13 December 2023 entered into between Ju Teng Vietnam and the Contractor in relation to the Construction Work and design thereof
“Warranty Fund”	5% of the consideration payable by Ju Teng Vietnam under the Third Construction Agreement
“Warranty Period”	a period of five years starting from Ju Teng Vietnam’s confirmation of acceptance of completion of the Construction Work and project hand over by the Contractor to Ju Teng Vietnam under the Third Construction Agreement, during which the Contractor shall rectify or repair any damage or defects in the Construction Work free of additional charge

In this announcement, amounts quoted in VND have been converted into HK\$ at the rate of VND3,115.50 = HK\$1.00. 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..

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

Hong Kong, 13 December 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.