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## **J.I.C. Technology Company Limited**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 987)

### **Supplemental JIC Agreement**

#### **A Very Substantial Disposal, A Major Transaction and Connected Transactions**

#### **Involving the sale of Jetup Interest by J.I.C. Technology Company Limited to Nam Tai Electronics, Inc., and the acquisition of Namtek Interests by J.I.C. Technology Company Limited from Nam Tai Electronic & Electrical Products Limited**

Reference is made to the joint announcement made by JIC and NTEEP dated 8<sup>th</sup> October, 2007 in relation to the Reorganization.

#### **Supplemental JIC Agreement**

On 28<sup>th</sup> November, 2007, JIC and NTEI entered into the supplemental JIC agreement to amend and supplement certain terms and conditions of the original JIC Agreement as summarized below in this announcement.

#### **Intention of the Enlarged JIC**

Following the Reorganization, the key assets of the Enlarged JIC will be cash and Namtek. The Enlarged JIC will carry out its business through Namtek (including two wholly-owned subsidiaries), which is a solution provider mainly for digital dictionary software development in the Japanese electronics industry. The Enlarged JIC aims to look for investments in business engaged in software development and design services, and other investments such as properties and bonds.

The JIC Board expects that cash balance of approximately HK\$300,000,000 (approximately US\$38.5 million) will be used in investments or for ordinary share dividend payment to JIC Shareholders, or a combination or both on or before 30<sup>th</sup> June, 2008.

Reference is made to the joint announcement made by JIC and NTEEP dated 8<sup>th</sup> October, 2007 in relation to the Reorganization (“Announcement”). Terms used in this announcement shall have the same meaning as those defined in the Announcement unless the context requires otherwise.

### **Background to the Changes**

In order to achieve a clearer delineation of business of JIC and NTEEP after the Reorganization, the JIC Board, the NTEEP Board and the board of NTEI have resolved to make changes to the original JIC Agreement so that JIC’s business will not involve any interests in electronic manufacturing services.

The table below summarizes the major changes to the terms of the original JIC Agreement:

	<b>Original JIC Agreement</b>	<b>Supplemental JIC agreement</b>
Transaction	NTEI will acquire 91% interests in Jetup from JIC	NTEI will acquire 100% interests in Jetup from JIC
Consideration	HK\$347,408,314 (approximately US\$44.5 million) by 193,004,619 NTEEP Shares at HK\$1.8 (US\$0.23) per NTEEP Share	Cash of HK\$381,767,378 million (approximately US\$48.9 million)

The supplemental JIC agreement has the following benefits over the original JIC Agreement:

- the liquidity risk associated with the NTEEP Shares as consideration is eliminated;
- financially, as NTEEP Shares have been trading within the range of HK\$1.62 and HK\$1.75 per share since the date of the Announcement, the replacement of NTEEP Shares with cash as consideration is equivalent to JIC placing NTEEP Shares at a price of HK\$1.80 per share, a premium to the recent market price. This is in the interests of JIC as a placement of shares of a significant amount and percentage of total issued shares is normally conducted in Hong Kong market at a discount to the market price; and
- strategically, the shareholding structure of the Enlarged JIC is clearer as it will mainly be engaged in non-electronic manufacturing services after the completion of supplemental JIC agreement.

Furthermore, as JIC does not receive NTEEP Shares as the consideration under the supplemental JIC agreement, the transaction no longer constitutes a Very Substantial Acquisition for JIC.

## **Supplemental JIC agreement**

On 28<sup>th</sup> November, 2007, JIC and NTEI entered into the supplemental JIC agreement to amend and supplement certain terms and conditions of the original JIC Agreement. The revisions are as follows:

- (i) Date of the original JIC Agreement has been amended from “24<sup>th</sup> September, 2007 and 5<sup>th</sup> October, 2007” to “24<sup>th</sup> September, 2007, 5<sup>th</sup> October, 2007 and 28<sup>th</sup> November, 2007”;
- (ii) Jetup Interest has been amended from “91% of the registered capital of Jetup” to “100% of the registered capital of Jetup”; and
- (iii) Consideration has been amended from “HK\$347,408,314 (approximately US\$44.5 million) by 193,004,619 NTEEP Shares at HK\$1.8 (approximately US\$0.23) per NTEEP Share” to “HK\$381,767,378 million (approximately US\$48.9 million) in cash”.

Considering the benefits of the supplemental JIC agreement mentioned in page 2 of this announcement, the JIC Board (excluding the JIC Independent Board Committee, who reserves its judgement until taking advice from the JIC Independent Financial Adviser) is of the view that the terms of the supplemental JIC agreement are fair and reasonable and in the interests of the JIC shareholders and JIC as a whole.

## **Intention of the Enlarged JIC**

Following the Reorganization, the key assets of the Enlarged JIC will be cash and Namtek. The Enlarged JIC will carry out its business mainly through Namtek (including two wholly-owned subsidiaries), which is a solution provider mainly for digital dictionary software development in the Japanese electronics industry. Please refer to the Announcement for more details of Namtek’s business.

Unaudited combined revenue of Namtek for the nine months ended 30<sup>th</sup> September, 2007 was HK\$17.0 million (US\$2.2 million). Unaudited combined net profit before and after tax of Namtek for the nine months ended 30<sup>th</sup> September, 2007 were HK\$5.3 million (US\$0.7 million) and HK\$4.9 million (US\$0.6 million). The unaudited combined net asset value of Namtek was HK\$23.4 million (US\$3.0 million) as at 30<sup>th</sup> September, 2007.

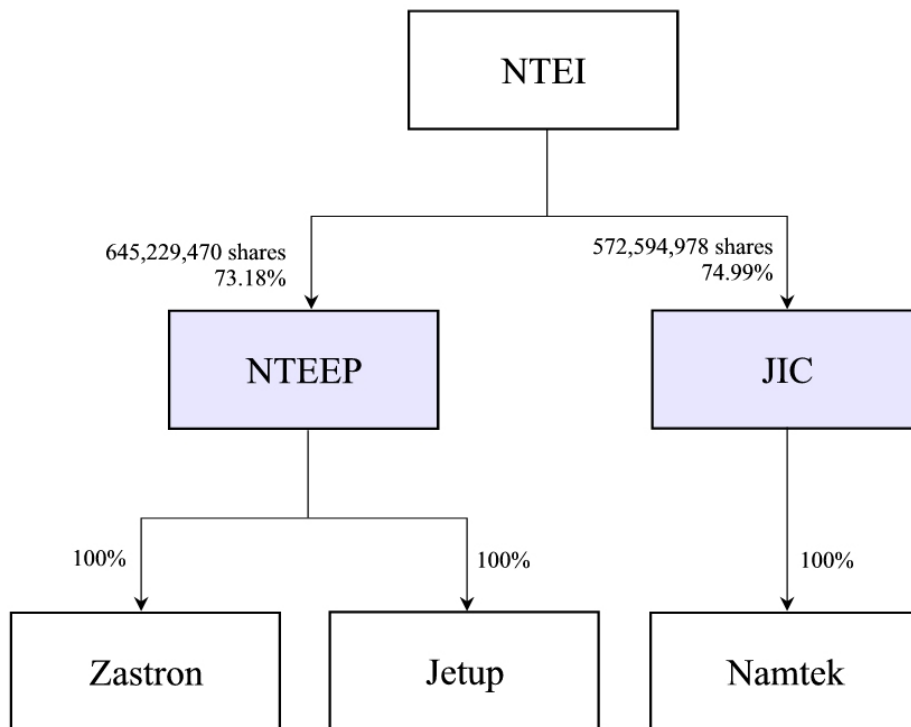
The Enlarged JIC aims to look for investments that will enable the acceleration of Namtek’s strategy. As Namtek plans to diversify its technology in car navigation and portable navigation engines (map matching, route planning and guidance), graphical user interface development, point of interest and map compression, authoring, GPS applied product and 3G sensor application product, potential investments in companies with technical expertise in these areas would be of strong interest. Also, design service company with enabling technical skills for these areas would also be opportunities. Additionally, other investments such as properties and bonds will be considered. The JIC Board will

make appropriate disclosure from time to time pursuant to the applicable requirements of the Listing Rules.

The JIC Board expects that cash balance of approximately HK\$300,000,000 (approximately US\$38.5 million) will be used in investments or for ordinary share dividend payment to JIC Shareholders, or a combination or both on or before 30<sup>th</sup> June, 2008.

### Ultimate Group Structure

Upon completion of the Reorganization under the supplemental JIC agreement, the group structure would be as follows :



*As at the date of this announcement, the executive directors are Mr. Chui Kam Wai and Dr. Yeoh Teck Hooi, the non-executive directors are Mr. Koo Ming Kown and Mr. John Quinto Farina and the independent non-executive directors are Mr. Cham Yau Nam, Mr. Leung Wai Hung and Mr. Choi Man Chau, Michael.*

By order of the board of directors of  
**J.I.C. TECHNOLOGY COMPANY LIMITED**  
Chui Kam Wai  
*Chairman*

Hong Kong, 28<sup>th</sup> November, 2007