JETE POWER HOLDINGS LIMITED
鑄能控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8133)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Jete Power Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *For identification purposes only*

FINANCIAL RESULTS

The board of directors (the "Board") of Jete Power Holdings Limited (the "Company") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (the "Group") for the three months and six months ended 30 June 2016 together with the comparative unaudited figures for the corresponding period in 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and six months ended 30 June 2016

		Three months ended 30 June		Six months ended 30 June	
		2016	2015	**2016**	2015
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	*3*	**16,941**	12,639	**29,601**	22,794
Cost of sales		**(12,861)**	(8,910)	**(22,297)**	(16,664)
Gross profit		**4,080**	3,729	**7,304**	6,130
Other income		**29**	2	**58**	15
Selling and distribution expenses		**(777)**	(838)	**(1,681)**	(1,404)
Administrative expenses		**(3,957)**	(6,564)	**(6,872)**	(12,189)
Finance costs	*5*	**(47)**	(140)	**(122)**	(274)
Loss before tax		**(672)**	(3,811)	**(1,313)**	(7,722)
Income tax expense	*6*	**(293)**	(185)	**(293)**	(185)
Loss for the period attributable to the owners of the Company	*7*	**(965)**	(3,996)	**(1,606)**	(7,907)
Other comprehensive expense for the period					
Item that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operation		**(598)**	(35)	**(151)**	(59)
Total comprehensive expense for the period attributable to the owners of the Company		**(1,563)**	(4,031)	**(1,757)**	(7,966)
Basic and diluted loss per share	*9*	**HK(0.14) cents**	HK(0.61) cents	**HK(0.23) cents**	HK(1.31) cents

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2016

	Notes	**30 June 2016**	31 December 2015
		HK$'000	*HK$'000*
		(Unaudited)	(Audited)
Non-current assets			
Plant and equipment		**15,123**	15,795
Rental deposit	*10*	**823**	823
		15,946	16,618
Current assets			
Inventories		**16,672**	19,255
Trade and other receivables, deposits and prepayments	*10*	**8,721**	8,396
Tax recoverable		**840**	840
Pledged bank deposit		**3,502**	3,502
Bank balances and cash	*11*	**12,431**	15,886
		42,166	47,879
Current liabilities			
Trade and other payables	*12*	**7,848**	12,669
Tax payable		**293**	–
Amount due to a shareholder		**5,385**	2,459
Bank borrowings		**2,428**	5,454
		15,954	20,582
Net current assets		**26,212**	27,297
Total assets less current liabilities		**42,158**	43,915
Capital and reserves			
Share capital	*13*	**7,000**	7,000
Reserves		**35,158**	36,915
		42,158	43,915

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 24 February 2014, as an exempted company with limited liability under the Companies Law (as Revised) of the Cayman Islands. The Company's shares have been listed on the GEM of the Stock Exchange since 30 April 2015 (the "Listing").

Pursuant to a group reorganisation (the "Reorganisation") and capitalisation of 549,990,000 shares in preparation for the Listing, the Company became the holding company of the subsidiaries now comprising the Group on 10 April 2015, the details of which are as set out in the prospectus issued by the Company dated 23 April 2015 (the "Prospectus").

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2016 (the "2016 Interim Financial Statements") are presented in Hong Kong dollars ("HK$"), unless otherwise stated.

The 2016 Interim Financial Statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the GEM Listing Rules. 2016 Interim Financial Statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of the 2016 Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRs").

In the current period, the Group has adopted a number of new and revised HKFRSs, amendments to Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") (hereinafter collectively referred to as "new and revised HKFRSs") issued by the HKICPA that are relevant to the Group and effective for accounting periods beginning on or after 1 January 2016. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current and prior periods.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing their impact on the Group's results and financial position.

The preparation of the 2016 Interim Financial Statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The 2016 Interim Financial Statements should be read in conjunction with the Group's audited consolidated financial statements and notes thereto for the year ended 31 December 2015.

3. REVENUE

Revenue represents the amounts received and receivable from cast metal products sold in the normal course of business, net of cash discount and sales related taxes.

4. SEGMENT INFORMATION

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the directors) in order to allocate resources to the segment and to assess its performance.

For management purpose, the Group operates in one business unit based on their products, and has one reportable and operating segment: Manufacturing and sales of cast metal products. The directors monitor the revenue of its business unit as a whole based on the monthly sales and delivery reports for the purpose of making decisions about resource allocation and performance assessment. Segment revenue and results; and segment assets and liabilities are presented in the combined statements of profit or loss and other comprehensive income and combined statements of financial position respectively.

Information about geographical areas

The Group's operations are located in Hong Kong and the PRC.

(a) Information about the Group's revenue from continuing operations from external customers is presented based on the location of the customers.

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Germany	**22,761**	18,940
Hong Kong	**3,264**	1,366
The PRC	**1,184**	1,058
The United States	**1,808**	644
Others	**584**	786
	29,601	22,794

(b) Information about the Group's non-current assets is presented based on the geographical location of the assets.

	30 June 2016	31 December 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**240**	294
The PRC	**14,883**	15,501
	15,123	15,795

Note: Non-current assets excluded financial instruments.

Information about major customers

Details of the customer accounting for 10% or more of aggregate revenue of the Group are disclosed as follows:

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Customer A	**9,807**	7,251
Customer B	**7,512**	5,912
Customer C	**N/A**[1]	N/A[1]

[1] *The corresponding revenue did not contribute over 10% of the total sales of the Group.*

5. FINANCE COSTS

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on:		
– Bank borrowings wholly repayable within five years	**122**	249
– Finance lease	**–**	25
	122	274

6. INCOME TAX EXPENSE

The amount of income tax charged to the profit or loss represents:

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong profits tax	**293**	87
PRC Enterprise Income Tax ("EIT")	**–**	98
	293	185

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2015: 16.5%) on the estimated assessable profit during the period arising in or derived from Hong Kong.

The subsidiary of the Group established in the People's Republic of China ("PRC") is subject to EIT. EIT has been provided at the rate of 25% (six months ended 30 June 2015: 25%) on the estimated assessable profits during the period arising in the PRC.

7. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging:		
Professional expenses incurred in connection with the Company's listing	**–**	7,245
Cost of inventories recognised as expense	**22,297**	16,664
Depreciation of plant and equipment	**1,115**	840

8. INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares deemed to be in issue during the six months ended 30 June 2016 and 2015.

The weighted average number of ordinary shares in issue during the six months ended 30 June 2015 used in the basic earnings per share calculation is determined on the assumption that the 10,000 ordinary shares with par value of HK$0.01 each and the 549,990,000 shares with par value of HK$0.01 each issued upon the capitalisation issue and Reorganisation as described in the Prospectus had been in issue since 1 January 2014.

	Three months ended 30 June		**Six months ended 30 June**	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Loss attributable to the owners of the Company *(HK$'000)*	**(965)**	(3,996)	**(1,606)**	(7,907)
Weighted average number of ordinary shares in issue *(thousands)*	**700,000**	652,198	**700,000**	601,381
Basic and diluted loss per share *(HK cents per share)*	**(0.14)**	(0.61)	**(0.23)**	(1.31)

No adjustment has been made to the basic loss per share amount for the six months ended 30 June 2016 and 2015 as the Group had no potentially dilutive ordinary shares in issue during these periods.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2016	31 December 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**7,255**	5,412
Other tax recoverable	**893**	1,710
Prepayments	**413**	863
Deposits and other receivables	**983**	1,234
Trade and other receivables	**9,544**	9,219
Less: Rental deposit shown under non-current assets	**(823)**	(823)
Current portion	**8,721**	8,396

The Group allows an average credit period of 30 to 60 days to its trade customers. The Group does not hold any collateral over its trade and other receivables. The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	30 June 2016	31 December 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**2,303**	1,625
31 to 60 days	**3,237**	3,068
61 to 90 days	**1,616**	719
Over 90 days	**99**	–
Total	**7,255**	5,412

11. BANK BALANCES AND CASH

	30 June 2016	31 December 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Bank balances and cash	**9,431**	15,886
Bank certificates of deposit with maturing date more than three months	**3,000**	–
	12,431	15,886

12. TRADE AND OTHER PAYABLES

	30 June 2016	31 December 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables	**5,197**	6,028
Other payables	**2,651**	6,641
Trade and other payables	**7,848**	12,669

The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period.

	30 June 2016 *HK$'000* **(Unaudited)**	31 December 2015 *HK$'000* (Audited)
Within 30 days	**1,915**	1,608
31 to 60 days	**1,137**	1,296
61 to 90 days	**940**	1,549
Over 90 days	**1,205**	1,575
Trade payables	**5,197**	6,028

The average credit period granted is ranging from 30 to 90 days. The Group has financial risk management in place to ensure that all payables are settled within the credit timeframe.

13. SHARE CAPITAL

	Number of shares	**Nominal value of ordinary shares** *HK$'000*
Authorised:		
At 1 January 2015	38,000,000	380
Increase in authorised share capital pursuant to written resolutions of the shareholders of the Company on 10 April 2015	962,000,000	9,620
At 30 June 2015, 31 December 2015 and 30 June 2016 (Unaudited)	1,000,000,000	10,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 January 2015	1	–
Issue of shares pursuant to a reorganisation *(Note (a))*	9,999	–
Issue of shares by way of placing *(Note (b))*	150,000,000	1,500
Capitalisation issue *(Note (c))*	549,990,000	5,500
At 30 June 2015, 31 December 2015 and 30 June 2016 (Unaudited)	700,000,000	7,000

Note (a) Pursuant to the Share Swap Agreement dated 10 April 2015 entered into amongst Pure Goal, Well Gainer and Bravo Luck as transferors, and the Company as transferee, Pure Goal, Well Gainer and Bravo Luck agreed to transfer the entire issued share capital in XETron Group Limited to the Company in consideration of and in exchange for 6,999 shares to Pure Goal, 2,337 shares to Well Gainer, and 663 shares to Bravo Luck credited as fully paid, respectively.

Note (b) On 30 April 2015, 150,000,000 new ordinary shares of HK$0.01 each were issued to the public by way of placing ("Placing") at a price of HK$0.20 per share raising gross proceeds of approximately HK$30 million.

Note (c) On 30 April 2015, 549,990,000 shares were issued by way of capitalisation of share premium on the proceeds from the allotment of 150,000,000 shares stated in note (b) under the capitalisation issue as detailed in the Prospectus.

14. EVENT AFTER THE REPORTING PERIOD

(a) Share Subdivision and placing of unlisted warrants

In the extraordinary general meeting of the Company convened on 7 July 2016, the shareholders of the Company have passed the ordinary resolutions in relation to:

(i) Share Subdivision

A proposed share subdivision by the way of the subdivision of each (1) of the existing issued and unissued shares of HK$0.01 each in the share capital of the Company into five (5) subdivided shares of HK$0.002 each. The aforesaid share subdivision has become effective on 8 July 2016;

(ii) Placing of Unlisted Warrants

On 31 May 2016, the Company entered into the conditional Warrant Placing Agreement with the Placing Agent in connection with the Warrant Placing, pursuant to which the Placing Agent agreed to place, on a best effort basis, to subscribe for up to a maximum of 700,000,000 Warrants at the Warrant Issue Price of HK$0.02. The warrants will entitle the Warrantholders to subscribe for up to 700,000,000 Warrant Shares at the Warrant Subscription Price of HK$0.36. Each Warrant carries the right to subscribe for one Warrant Share.

On 26 July 2016, the Company entered into a supplemental warrant placing agreement with the Placing Agent in which the Placing Agent and the Company have agreed to extend the Long Stop Date from 29 July 2016 to 12 August 2016 as additional time is required for fulfilment of the condition precedent set out in the Warrant Placing Agreement. The Warrants Placing has been completed on 8 August 2016.

Further details of the share subdivision and the Warrants Placing and the meanings of the capitalised terms used are set out in the announcement and the circular of the Company dated 31 May 2016 and 17 June 2016 respectively.

(b) Two Memorandum of Understanding in relation to two Possible Acquisitions

On 27 July 2016, the Company entered into a memorandum of understanding (the "MOU A") with potential vendors (the "Potential Vendors A") in relation to the possible acquisition of part of the issued share capital in a company (the "Target Company A", together with its subsidiaries "Target Group A") (the "Proposed Acquisition A"). The Target Group A is principally engaged in the business of development of solar cell in PRC.

On 2 August 2016, the Company entered into another memorandum of understanding (the "MOU B") with potential vendor (the "Potential Vendor B") in relation to the possible acquisition of part of the issued share capital in a company (the "Target Company B", together with its subsidiaries "Target Group B") (the "Proposed Acquisition B"). The Target Group B is principally engaged in the business of development of solar cell in PRC.

As at the date of this announcement, the terms and conditions of the Proposed Acquisition A and Proposed Acquisition B are still being negotiated and no legally binding agreement has been entered into. Proposed Acquisition A and Proposed Acquisition B may or may not proceed.

Details of the transactions in relation to MOU A and MOU B are set out in the announcements of the Company dated 27 July 2016 and 2 August 2016 respectively.

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2016 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and prospects

The Group is principally engaged in the manufacturing of metal casting parts and components in the PRC. The products of the Group can be categorized into four main categories: (a) pump components; (b) valve components; (c) filter components; and (d) food machinery components, which are made of stainless steel, carbon steel, bronze and/or grey iron. Our largest market is Germany. We also have customers from the PRC, Hong Kong and the United States.

During the reporting period, the global economic environment remain challenging but the Group is positive about the prospects of the metal casting industry and will continue to focus on its core business. Resources will be reserved for the purpose of increasing the production capacity in the Qiuchang Foundry, enhancing the marketing effort to attract new customers and strengthen the quality control system to maintain the strong customer relationship with existing customers. Meanwhile, the Group will also explore other potential investment opportunities in order to diversify the Group's business and create new source of revenue to the Group. The Group will continue to adopt a positive yet prudent approach in its business strategies aiming to enhance the Group's profitability and the shareholders' value in the long run.

Financial Review

Revenue

For the six months ended 30 June 2016, total revenue of the Group increased by about 29.86% to approximately HK$29.60 million as compared with the corresponding period in 2015. The increase in total revenue was mainly due to the increase in sales volume as compared to the same period in 2015. The increase in sales volume was mainly due to the long Chinese New Year's holiday of the Company for the year 2015 and hence the factory output in February 2015 was lower than February 2016.

Cost of sales and gross profit

The key components of the Group's cost of sales comprised principally the (i) raw materials used for production of metal casting parts and components, (ii) direct labour costs and (iii) manufacturing overheads such as depreciation for plant and equipment, consumables, utilities, maintenance costs and indirect labour costs. For the six months ended 30 June 2016, the cost of sales of the Group increased by about 33.80% to approximately HK$22.30 million as compared with the corresponding period in 2015. Such increase was mainly attributable to the increase in sales volume and the increase in direct labour cost and manufacturing overheads.

The gross profit of the Group increased from HK$6.13 million, for the six months ended 30 June 2015 to HK$7.30 million for the six months ended 30 June 2016. The gross profit margin for the period remained constant at around 25 %.

Selling and distribution expenses

The Group's selling and distribution expenses for the six months ended 30 June 2016 amounted to approximately HK$1.68 million, representing an approximately 20.00% increase as compared with the corresponding period in 2015 of approximately HK$1.40 million. Selling and distribution expenses comprised mainly packaging, delivery, customs and insurance cost incurred in relation to the sales. The increase for the period was mainly due to the increase in sales volume and the increase in agency cost during the current period.

Administrative expenses

The Group's administrative expenses for the six months ended 30 June 2016 amounted to approximately HK$6.87 million, representing an approximately 43.64% decrease as compared with the corresponding period in 2015 of approximately HK$12.19 million. Administrative expenses primarily consist of salaries and benefit payments paid to directors and staff, exchange loss, audit fee and non-recurring expenses in relation to the listing of the Company ("Listing Expenses"). The decrease for the period was mainly attributable to the net effect of (i) decrease in Listing Expenses by HK$7.25 million and (ii) the increase in staff cost and various compliance and professional fees incurred after the Listing of the Company.

Finance costs

Finance costs mainly represent the interest on bank borrowings. The decrease for the six months ended 30 June 2016 was mainly due to the decrease in the bank borrowings outstanding during the period as compared with the corresponding period in 2015.

Loss for the period

Loss attributable to owners of the Company for the six months ended 30 June 2016 amounted to approximately HK$1.61 million (six months ended 30 June 2015: HK$7.91 million). The decrease was mainly attributable to the net effects of (i) the increase in revenue; (ii) the increase in staff cost and various compliance and professional fees incurred after the Listing of the Company and (iii) no Listing Expenses was incurred during the period.

Liquidity and financial resources

The Group's principal sources of funds are used to finance working capital, and the growth and expansion of the Group's operations and sales network. The Group's principal sources of funds are cash generated from operations and bank borrowings. The Group had cash and cash equivalents of approximately HK$12.43 million as at 30 June 2016 (31 December 2015: HK$15.89 million). As at 30 June 2016, the Group had total bank borrowings of approximately HK$2.43 million (31 December 2015: HK$5.45 million). All the bank borrowings contain a repayment on demand clause.

Gearing ratio

As at 30 June 2016, the Group's gearing ratio was 5.76% (31 December 2015: 12.41%), which is calculated based on the Group's total interest-bearing debt of approximately HK$2.43 million (31 December 2015: HK$5.45 million) and the Group's total equity of approximately HK$42.16 million (31 December 2015: HK$43.92 million).

Capital structure

The Company's shares were successfully listed on GEM on 30 April 2015 (the "Listing Date"). There has been no change in the capital structure of the Group since the Listing Date and up to the date of this announcement. The capital of the Company only comprises of ordinary shares.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. To manage liquidity risk, the management closely monitors the Group's liquidity position and maintain sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

Contingent liabilities

As at 30 June 2016, the Group had no material contingent liabilities (31 December 2015: Nil).

Charge of assets

As at 30 June 2016, the Group had pledged its bank deposits of approximately HK$3.50 million (31 December 2015: HK$3.50 million) to certain banks in Hong Kong to secure the banking facilities granted to the Group.

Capital Commitments

As at 30 June 2016, the Group did not have any significant capital commitments (31 December 2015: Nil).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the six months ended 30 June 2016.

COMPETING INTERESTS

As at 30 June 2016, none of the Directors, the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

INTERESTS OF THE COMPLIANCE ADVISER

As at 30 June 2016, neither Kingsway Capital Limited, the compliance adviser of the Company, nor any of its directors, employees or associates had any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of GEM Listing Rules.

AUDIT COMMITTEE

The Company has established an audit committee with the written terms of reference in compliance with the GEM Listing Rules. The audit committee consists of three independent non– executive Directors, namely Mr. Wong Ka Shing, who has the appropriate accounting and financial related management expertise and serves as the chairman of the audit committee, Ms. Leung Shuk Lan and Mr. Tang Yiu Wing. The audit committee has reviewed this announcement and has provided advice and comments thereon.

CORPORATE GOVERNANCE

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules.

To the best knowledge of the Directors, the Company had complied with the code provisions in the CG Code throughout the six months ended 30 June 2016.

By Order of the Board
Jete Power Holdings Limited
Choi Chiu Ming, Jimmy
Chairman and executive Director

Hong Kong, 10 August 2016

As at the date of this announcement, the executive Directors are Mr. Wong Thomas Wai Yuk and Mr. Choi Chiu Ming Jimmy, and the independent non-executive Directors are Ms. Leung Shuk Lan, Mr. Tang Yiu Wing and Mr. Wong Ka Shing.

This announcement will remain at www.hkgem.com on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting and on the Company website at www.jetepower.com.