JETE POWER HOLDINGS LIMITED
鑄能控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8133)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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 audited consolidated financial results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2016 together with the comparative figures for the pervious year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*5*	**57,461**	54,328
Cost of sales		**(42,285)**	(42,878)
Gross profit		**15,176**	11,450
Other income	*6*	**122**	123
Selling and distribution expenses		**(3,548)**	(3,941)
Administrative expenses		**(14,673)**	(19,563)
Loss from operations		**(2,923)**	(11,931)
Finance costs	*7(a)*	**(190)**	(332)
Share of losses of associates		**(220)**	–
Loss before taxation	*7*	**(3,333)**	(12,263)
Income tax	*8*	**(425)**	(196)
Loss for the year attributable to owners of the Company		**(3,758)**	(12,459)
Other comprehensive loss for the year			
Item that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of financial statements of a foreign operation, net of nil tax		**(1,091)**	(1,294)
Total comprehensive loss for the year attributable to owners of the Company		**(4,849)**	(13,753)
		HK cents	*HK cents* (restated)
Loss per share	*9*		
Basic		**(0.11)**	(0.38)
Diluted		**(0.11)**	(0.38)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current assets			
Plant and equipment		**14,691**	15,795
Interests in associates		**7,514**	–
Contingent consideration asset for acquisition of associates		**2,266**	–
Rental deposits		**778**	823
		25,249	16,618
Current assets			
Inventories		**15,427**	19,255
Trade and other receivables	*11*	**6,829**	8,396
Tax recoverable		**457**	840
Pledged bank deposits		**3,505**	3,502
Cash and cash equivalents		**13,062**	15,886
		39,280	47,879
Current liabilities			
Trade and other payables	*12*	**9,881**	12,669
Amount due to a shareholder		**1,403**	2,459
Bank borrowings		**459**	5,454
		11,743	20,582
Net current assets		**27,537**	27,297
NET ASSETS		**52,786**	43,915
CAPITAL AND RESERVES			
Share capital	*13*	**7,000**	7,000
Reserves		**45,786**	36,915
TOTAL EQUITY		**52,786**	43,915

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. COMPANY INFORMATION

The Company was incorporated in the Cayman Islands on 24 February 2014 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Factory Unit 13A, 9th Floor, Vanta Industrial Centre, Nos. 21–33 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

The Company's shares have been listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 30 April 2015 (the "Listing").

The consolidated financial statements are presented in Hong Kong dollars ("HK$"). Other than major subsidiaries, G. Force (Hong Kong) and KTech (Huizhou), of which the functional currency is United States dollars ("USD") and Renminbi ("RMB") respectively, the functional currency of the Company and other subsidiaries is HK$.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis.

3. APPLICATION OF NEW AND REVISED HKFRSs

The HKICPA has issued certain new and revised HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

4. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these consolidated financial statements. These include the following which may be relevant to the Group:

Amendments to HKAS 7	Statement of cash flows: Disclosure initiative[1]
Amendments to HKAS 12	Income taxes: Recognition of deferred tax assets for unrealised losses[1]
HKFRS 9	Financial instruments[2]
HKFRS 15	Revenue from contracts with customers[2]
HKFRS 16	Leases[3]

[1] Effective for annual periods beginning on or after 1 January 2017.

[2] Effective for annual periods beginning on or after 1 January 2018.

[3] Effective for annual periods beginning on or after 1 January 2019.

The directors of the Company anticipate that the application of the new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

5. REVENUE

The principal activities of the Group are manufacturing and sales of cast metal products.

Revenue represents the sales value of goods supplied to customers, net of discounts, returns and value added tax or other sales taxes.

6. OTHER INCOME

	2016	2015
	HK$'000	*HK$'000*
Bank interest income	**4**	4
Government grants	**–**	12
Sundry income	**118**	107
	122	123

7. LOSS BEFORE TAXATION

Loss before taxation is arrived after charging:

	2016	2015
	HK$'000	*HK$'000*
(a) Finance costs:		
Interest on bank borrowings	**190**	307
Interest on a finance lease	**–**	25
	190	332
(b) Staff costs (including directors' remuneration):		
Salaries, wages and other benefits	**14,414**	14,456
Contributions to defined contribution retirement plan	**991**	1,055
	15,405	15,511
(c) Other items:		
Auditor's remuneration	**400**	450
Cost of inventories sold	**42,285**	42,878
Depreciation	**2,338**	1,949
Net exchange loss	**565**	700
Operating lease charges in respect of property rental	**1,552**	1,614
Professional expense incurred in connection with the Company's listing	**–**	5,585

\# *Cost of inventories includes HK$11,114,000 (2015: HK$11,465,000) relating to staff costs and depreciation, which amounts are also included in the respective total amounts disclosed separately above or in note 7(b) for each of these types of expenses.*

8. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**401**	–
Current tax – PRC Enterprise Income Tax		
Provision for the year	**24**	156
Under-provision in respect of prior years	**–**	40
	24	196
Income tax expense	**425**	196

(i) Pursuant to the income tax rule and regulations of Cayman and British Virgin Islands, the Group is not subject to income tax in the respective jurisdictions.

(ii) The provision for Hong Kong Profits Tax is calculated at 16.5% (2015: 16.5%) of the estimated assessable profits for 2016. No provision for Hong Kong Profits Tax has been made for 2015 since the subsidiaries incorporated or dominated in Hong Kong have no assessable profits for taxation purposes.

(iii) Taxation of an PRC subsidiary is calculated using the applicable income tax rate of 25% (2015: 25%).

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HK$3,758,000 (2015: HK$12,459,000) and the weighted average number of 3,500,000,000 (2015 (restated): 3,255,479,450) ordinary shares in issue during the year.

The weighted average number of ordinary share for 2015 above has been adjusted retrospectively for the share subdivision which was completed on 8 July 2016.

(b) Diluted loss per share

The diluted loss per share for the year ended 31 December 2016 is the same as the basis loss per share as the assumed exercise of the outstanding warrants has anti-dilutive effect.

The diluted loss per share for the year ended 31 December 2015 is the same as the loss per share as there were no potential dilutive ordinary shares in issue.

10. SEGMENT REPORTING

(a) Operating segment information

The Group is principally engaged in the manufacture and sales of cast metal products. All of the Group's products are of a similar nature and subject to similar risk and returns. Accordingly, the Group's operating activities are attributable to one single operating segment.

(b) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue and (ii) the Group's plant and equipment and interests in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in case of plant and equipment, and the location of operations, in case of interests in associates.

	2016		2015	
	Revenue	**Specified non-current assets**	Revenue	Specified non-current assets
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Germany	**43,940**	**–**	42,790	–
Hong Kong	**6,561**	**186**	5,547	294
The PRC	**1,822**	**22,019**	2,555	15,501
The United States	**3,833**	**–**	1,325	–
Others *(note)*	**1,305**	**–**	2,111	–
	57,461	**22,205**	54,328	15,795

Note: Others mainly cover Taiwan, Australia and Swiss.

(c) Major customers

Revenue from major customers, each of whom accounted for 10% or more of the total revenue, is set out below:

	2016	2015
	HK$'000	*HK$'000*
Customer A	**18,353**	18,467
Customer B	**15,764**	12,527

11. TRADE AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**4,936**	5,412
Other tax recoverable	**1,091**	1,710
Deposits, prepayments and other receivables	**1,580**	2,097
	7,607	9,219
Less: Rental deposits included under non-current assets	**(778)**	(823)
Current portion included under current assets	**6,829**	8,396

Ageing analysis

The ageing analysis of trade debtors as of the end of the reporting period, based on invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 30 days	**2,433**	1,625
31 to 60 days	**1,422**	3,068
61 to 90 days	**804**	719
Over 90 days but less than 1 year	**277**	–
	4,936	5,412

The Group allows an average credit period of 30 to 90 days to its trade customers.

12. TRADE AND OTHER PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables	**4,998**	6,028
Accrued charges and other payables	**4,883**	6,641
	9,881	12,669

All of the trade and other payables are expected to be settled or recognised as income within one year.

The ageing analysis of trade creditors as of the end of the reporting period, based on invoice date, is as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 30 days	**1,530**	1,608
31 to 60 days	**1,390**	1,296
61 to 90 days	**1,151**	1,549
Over 90 days but less than 1 year	**927**	1,575
	4,998	6,028

13. SHARE CAPITAL

Authorised and issued share capital

		2016		2015	
	Note	***Number of shares***	***HK$'000***	*Number of shares*	*HK$'000*
Authorised:					
At 1 January		**1,000,000,000**	**10,000**	38,000,000	380
Increase in authorised share capital	*(i)*	**–**	**–**	962,000,000	9,620
Share subdivision	*(iii)*	**4,000,000,000**	**–**	–	–
		5,000,000,000	**10,000**	1,000,000,000	10,000
Ordinary shares, issued and fully paid					
At 1 January		**700,000,000**	**7,000**	1	–
Issue of shares	*(ii)*	**–**	**–**	699,999,999	7,000
Share subdivision	*(iii)*	**2,800,000,000**	**–**	–	–
		3,500,000,000	**7,000**	700,000,000	7,000

(i) Increase in authorised share capital in 2015

By an ordinary resolution passed on 10 April 2015, the Company's authorised share capital was increased from HK$380,000 divided into 38,000,000 ordinary shares of HK$0.01 each to HK$10,000,000 divided into 1,000,000,000 ordinary shares of HK$0.01 each by creation of additional 962,000,000 ordinary shares of HK$0.01 each.

(ii) Issue of shares in 2015

Pursuant to the share swap agreement dated 10 April 2015 entered into amongst Pure Goal Holdings Limited ("Pure Goal"), Well Gainer Limited ("Well Gainer") and Bravo Luck Limited ("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.

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

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 under the capitalisation issue as detailed in the prospectus.

(iii) Share subdivision in 2016

By an ordinary resolution passed at the extraordinary general meeting on 7 July 2016, each issued and unissued ordinary share of the Company was subdivided into five new ordinary shares of HK$0.002 each (the "Share Subdivision"). Following the Share Subdivision which became effective on 8 July 2016, the authorised share capital was HK$10,000,000 divided into 5,000,000,000 shares of HK$0.002 each, of which 3,500,000,000 ordinary shares were in issue and fully paid.

14. DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 December 2016 (2015: HK$Nil).

15. EVENT AFTER THE REPORTING PERIOD

On 3 February 2017, the Company entered into a non-legally binding memorandum of understanding (the "MOU") with a potential vendor for acquiring part of the issued share capital in a company together with its subsidiaries (the "Target Group"). The Target Group is principally engaged in the development and distributed power generation projects and its related products in PRC. Further details of the MOU are set out in the Company's announcement dated 3 February 2017.

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.

In 2016, the macro-economy was under downward pressure brought about by the slowdown of economic growth in the world and the economic uncertainties in the global market. The operating environment remained challenging.

With its commitment to excellence and enterprising spirit, the Group has continued to promote its business development. Despite the extremely challenging business environment and competition, the Group maintained a flexible and tailored sales and marketing strategy to offer its customers with diversified and tailor-made products, which will in turn reinforce the Group's market position. During the year, the revenue of the Group remained steady which amounted to HK$57.46 million, representing a slight increase of 6% year-on-year.

Looking ahead to 2017, the global economic environment likely remains challenging but the Group is positive about the prospects of the metal casting industry and will continue to focus on our core business. The Group will continue to increase our marketing effort and enhance our production efficiency. In order to maximise the long term returns to our shareholders, our 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 in the long run.

The following is the major events incurred during the year ended 31 December 2016 and up to date of this report:

(a) Placing of unlisted warrants

On 8 August 2016, 700,000,000 unlisted warrants were issued by the Company at a warrant placing price of HK$0.02 for each warrant in accordance to the terms of warrant placing agreement on 31 May 2016. The net proceeds from issue of unlisted warrants were approximately HK$13.72 million. The Company has fully utilized the net proceeds and applied them for the general working capital of the Group and financing the acquisition of an associate as intended. The warrants entitled the holders to subscribe for up to 700,000,000 ordinary shares of the Company at the exercise price of HK$0.36 each, at any time during the period of 36 months commencing from the date immediately after the issue of the warrants. As at the date of this report, no unlisted warrant was exercised.

(b) Investment in an associate

On 27 September 2016, the Group has completed the acquisition of the 39% of the issued share capital of Novel Sino Group Holdings Limited ("Novel Holdings") at a consideration of HK$10 million (the "Acquisition"). Novel Holdings is an investment holding company incorporated in the British Virgin Islands with limited liability and is interested in the entire issued share capital of the 冠美旭(東台)能源科技有限公司 ("Dongtai Company").

As at date of this report, Dongtai Company has not yet commenced its operation. However, Dongtai Company has entered into strategic cooperation agreement with local government authority for the development of CIGS (copper indium gallium selenide) thin film solar panels and solar power generation business, under which Dongtai Company will benefit from certain privileged treatments and resources in developing the photovoltaic power generation business in Dongtai City, Jiangsu Province, the PRC. Dongtai Company will be principally engaged in the manufacturing of CIGS thin film solar panels and photovoltaic energy generation business.

In view of the supportive PRC government and the good cooperative relationship with the local authority, the Group believe that the Acquisition presents the Group with a good opportunity to diversify its investment portfolio with a view to maximize return to the Company and its shareholders in the long run although the Group obtained a minority interest.

(c) Non-legally binding strategic cooperation framework agreement

On 28 October 2016, the Group entered into non-legally binding strategic cooperation framework agreement with 內蒙古香島光伏農業有限公司 in respect of certain possible cooperation in some photovoltaic agricultural projects in the PRC (the "Cooperation").

As at the date of this report, no binding agreement in relation to the Cooperation has been entered into by the Group. As such, the Cooperation as stated in the non-legally binding strategic cooperation framework agreement may or may not proceed.

(d) Amendments to constitutional documents

On 6 January 2017, pursuant to the special resolution passed by the shareholders of the Company (the "Shareholders"), certain amendments had been made to the memorandum and articles of association of the Company for the purpose of establishing and facilitating the operation of a co-chairman structure for the Company. For details of the amendments, please refer to the circular of the Company dated 9 December 2016.

(e) ***Memorandum of understanding in relation to a Proposed Acquisition***

On 3 February 2017, the Company entered into a memorandum of understanding with a potential vendor in relation to the possible acquisition of part of the issued share capital in a company (the "Target Company", together with its subsidiaries "Target Group") (the "Proposed Acquisition"). The Target Group is principally engaged in the development of the distributed power generation projects and its related products in PRC.

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

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 year ended 31 December 2016, total revenue of the Group increased by about 6% to approximately HK$57.46 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 corresponding period in 2015. The increase in sales volume was mainly due to the long Chinese New Year's holiday of the Group 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 year ended 31 December 2016, the cost of sales of the Group keep constant at approximately HK$42.29 million as compared with the corresponding period in 2015. The increase in cost of sales as a result of the increase in sales volume was offset by the effect of increase in production efficiency and the depreciation of Renminbi.

The gross profit of the Group increased from HK$11.45 million, for the year ended 31 December 2015 to HK$15.18 million for the year ended 31 December 2016. The gross profit margin for the year increased to approximately 26% from approximately 21% for the corresponding period of last year. Such increase was mainly due to the increase in production efficiency and the depreciation of Renminbi.

Selling and distribution expenses

The Group's selling and distribution expenses for the year ended 31 December 2016 amounted to approximately HK$3.55 million, representing an approximately 10% decrease as compared with the corresponding period in 2015 of approximately HK$3.94 million. Selling and distribution expenses comprised mainly packaging, delivery, customs and insurance cost incurred in relation to the sales. The decrease was mainly due to decrease of transportation costs for consignment sales.

Administrative expenses

The Group's administrative expenses for the year ended 31 December 2016 amounted to approximately HK$14.67 million, representing an approximately 25% decrease as compared with the corresponding period in 2015 of approximately HK$19.56 million. Administrative expenses primarily consist of salaries and benefit payments paid to directors and staff, exchange loss, legal and professional fee and non-recurring expenses in relation to the listing of the Company. Such decrease was mainly due to the net effect of (i) no listing expenses was incurred during the year 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 year ended 31 December 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 year

Loss attributable to owners of the Company for the year ended 31 December 2016 amounted to approximately HK$3.76 million (2015: HK$12.46 million). The decrease was mainly attributable to the net effect of (i) no listing expenses was incurred during the year and (ii) the increase in staff cost and various compliance and professional fees incurred after the listing of the Company.

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. During the year, Group's principal sources of funds are cash generated from operations, bank borrowings and proceeds from placing of the warrants. The Group had cash and cash equivalents of approximately HK$13.06 million as at 31 December 2016 (31 December 2015: HK$15.89 million). As at 31 December 2016, the Group had total bank borrowings of approximately HK$0.46 million (31 December 2015: HK$5.45 million). All the bank borrowings contain a repayment on demand clause.

Gearing ratio

As at 31 December 2016, the Group's gearing ratio was 0.87% (31 December 2015: 12.41%), which is calculated based on the Group's total interest-bearing debt of approximately HK$0.46 million (31 December 2015: HK$5.45 million) and the Group's total equity of approximately HK$52.79 million (31 December 2015: HK$43.92 million).

Capital structure

The capital of the Company only comprises ordinary shares. There has been no change in the capital structure of the Group during the year ended 31 December 2016.

Contingent liabilities

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

Charge of assets

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

Capital Commitments

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December 2016, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

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.

Throughout the year ended 31 December 2016, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in the preliminary announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

ANNUAL GENERAL MEETING

It is proposed that the forthcoming annual general meeting of the Company (the "AGM") will be held on Friday, 26 May 2017. A notice convening the AGM will be published and despatched to the Shareholders in the manner required by the GEM Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 22 May 2017 to Friday, 26 May 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 19 May 2017.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK$10,000,000 divided into 5,000,000,000 Shares of HK$0.002 each of which 3,500,000,000 Shares have been allotted and issued and fully paid or credited as fully paid. In order to provide the Company with a flexibility for the future expansion and development of the Group, the Directors propose to increase the authorised share capital of the Company from HK$10,000,000 divided into 5,000,000,000 Shares to HK$100,000,000 divided into 50,000,000,000 Shares. The Directors have no present intention to issue any part of the increased authorised share capital of the Company.

The proposed increase in the authorised share capital of the Company is subject to the passing of an ordinary resolution by the Shareholders at the AGM. A circular containing, among other things, further details of the proposed increase in the Company's authorised share capital and the notice of the AGM will be despatched to the Shareholders in due course.

By Order of the Board
Jete Power Holdings Limited
Choi Chiu Ming, Jimmy
Executive Director

Hong Kong, 27 March 2017

As at the date of this announcement, the executive Directors are Mr. Choi Chiu Ming Jimmy and Mr. Johnny Huang 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.