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JETE POWER HOLDINGS LIMITED

鑄能控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8133)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

The board (the “**Board**”) of directors (the “**Directors**”) of Jete Power Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the nine months ended 30 September 2019. This announcement, containing the full text of the 2019 Third Quarterly Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of quarterly results.

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

Hong Kong, 8 November 2019

As at the date of this announcement, the executive Director is 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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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.

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.

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2019

Third Quarterly Report

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CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, 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 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 report 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 report misleading.



HIGHLIGHTS

- The Group recorded a revenue of approximately HK\$44.92 million for the nine months ended 30 September 2019 (nine months ended 30 September 2018: approximately HK\$49.96 million).
- Loss attributable to the owners of the Company for the nine months ended 30 September 2019 amounted to approximately HK\$7.36 million (nine months ended 30 September 2018: loss of approximately HK\$5.20 million).
- The Board does not recommend the payment of any dividend for the nine months ended 30 September 2019.

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 nine months ended 30 September 2019 together with the comparative unaudited figures for the corresponding period in 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2019

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue	3	11,235	22,114	44,916	49,958
Cost of revenue		(7,986)	(16,319)	(34,439)	(39,733)
Gross profit		3,249	5,795	10,477	10,225
Other income		2	7	152	10
Selling and distribution expenses		(852)	(1,460)	(3,184)	(3,693)
Administrative expenses		(5,273)	(5,097)	(13,795)	(11,468)
Finance costs	4	(190)	(6)	(583)	(50)
Loss before tax		(3,064)	(761)	(6,933)	(4,976)
Income tax expense	5	(161)	(65)	(429)	(219)
Loss for the period attributable to the owners of the Company		(3,225)	(826)	(7,362)	(5,195)
Other comprehensive income (expense) for the period					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange differences arising on translation of foreign operation		(708)	(757)	(1,256)	(1,048)
Total comprehensive expense for the period attributable to the owners of the Company		(3,933)	(1,583)	(8,618)	(6,243)
Basic and diluted loss per share	7	HK(0.09) cents	HK(0.02) cents	HK(0.21) cents	HK(0.15) cents

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2019

	Attributable to owners of the Company							Total equity
	Share capital	Share premium	Exchange reserve	Capital reserve	Warrant reserve	Other reserve	Accumulated losses	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
				(Note (a))	(Note (b))	(Note (c))		
Balance at 1 January 2019	7,000	18,418	2,868	(7,045)	13,720	27,650	(23,507)	39,104
Loss for the period	—	—	—	—	—	—	(7,362)	(7,362)
Exchange difference arising on translation of foreign operation	—	—	(1,256)	—	—	—	—	(1,256)
Total comprehensive expense for the period	—	—	(1,256)	—	—	—	(7,362)	(8,618)
Lapse of unlisted warrants	—	—	—	—	(13,720)	—	13,720	—
Balance at 30 September 2019	7,000	18,418	1,612	(7,045)	—	27,650	(17,149)	30,486
Balance at 1 January 2018	7,000	18,418	3,390	(7,045)	13,720	27,650	(13,796)	49,337
Loss for the period	—	—	—	—	—	—	(5,195)	(5,195)
Exchange difference arising on translation of foreign operation	—	—	(1,048)	—	—	—	—	(1,048)
Total comprehensive expense for the period	—	—	(1,048)	—	—	—	(5,195)	(6,243)
Balance at 30 September 2018	7,000	18,418	2,342	(7,045)	13,720	27,650	(18,991)	43,094

Note (a) Capital reserve of the Group represents the difference between the nominal value of the 47% issued capital of a subsidiary, G. Force (Hong Kong) Limited, held by Mr. Wong Thomas Wai Yuk, acquired pursuant to the group restructuring in year 2012 and the consideration for acquiring 47% of the issued capital of the subsidiary from Mr. Wong Thomas Wai Yuk.

Note (b) Warrant reserve represents the net proceeds received from the issue of unlisted warrants of the Company. This reserve will be transferred to the share capital and the share premium account upon exercise of the unlisted warrants, where the unlisted warrants remain unexercised at the expiry date, the amount recognised in the warrant reserve will be released to the accumulated losses. The unlisted warrants were expired on 7 August 2019 and the warrant reserve was credited to accumulated losses.

Note (c) Other reserve represented the difference between the nominal amount of the share capital and share premium of XETron Group Limited and the nominal amount of the share capital issued by the Company pursuant to a group reorganisation.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED 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").

The unaudited condensed consolidated financial results of the Group for the nine months ended 30 September 2019 (the "Consolidated Financial Results") are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

The Consolidated Financial Results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the GEM Listing Rules. The Consolidated Financial Results have been prepared under the historical cost convention.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these Consolidated Financial Results are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 December 2018, except for the adoption of the new and revised HKFRSs.

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 2019. Except for the adoption of HKFRS 16 "Leases", the adoption of other new and revised HKFRSs has had no material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the Consolidated Financial Results.

HKFRS 16 replaces HKAS 17 "Leases" and related interpretations. The new standard affects primarily the accounting for the Group's operating leases. Under HKAS 17, the Group's office and operating premises leases were previously classified as operating leases and the lease payments were recognised as an expense on a straight-line basis over the lease term. On adoption of HKFRS 16, the Group recognises and measures a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset are recognised in profit or loss. The Group's assets and liabilities increase and the timing of expense recognition is also be impacted as a result.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position on 1 January 2019.

The change in accounting policy affected the following items in the consolidated statement of financial position on 1 January 2019:

Right-of-use assets — increase by HK\$15,567,000 (unaudited)

Lease liabilities — increase by HK\$15,567,000 (unaudited)

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 Consolidated Financial Results 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 Consolidated Financial Results should be read in conjunction with the Group's audited consolidated financial statements and notes thereto for the year ended 31 December 2018.

3. REVENUE

Revenue represents (i) the amounts received and receivable from cast metal products sold in the normal course of business, net of cash discount and sales related taxes; and (ii) the revenue arising from concerts and events organization.

An analysis of the Group's revenue is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales of cast metal products	11,166	18,199	42,122	46,043
Concerts and events income	69	3,915	2,794	3,915
	11,235	22,114	44,916	49,958

4. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on:				
— Bank borrowings	14	6	42	50
— Lease liability	176	—	541	—
	190	6	583	50

5. INCOME TAX EXPENSE

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

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax:				
Hong Kong profits tax	161	—	429	—
PRC Enterprise Income Tax ("EIT")	—	65	—	219
	161	65	429	219

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislations, interpretations and practices in respect thereof.

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the "Ordinance"). Under the two-tiered profits tax rate regime, the first HK\$2,000,000 of assessable profits of a qualifying corporation, which only one qualifying corporation within the Group is selected, is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The Ordinance is effective from the year of assessment 2018-2019. For the nine months ended 30 September 2019, Hong Kong Profits Tax was calculated at the above basis. No provision for Hong Kong Profits Tax has been made for the nine months ended 30 September 2018 as the Group did not have assessable profits subject to HK Profits Tax during the prior periods.

The subsidiary of the Group established in the People's Republic of China ("PRC") is subject to PRC Enterprise Income Tax ("EIT"). EIT has been provided at the rate of 25% (nine months ended 30 September 2018: 25%) on the estimated assessable profits for the nine months ended 30 September 2019.

6. DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2019 (nine months ended 30 September 2018: Nil).

7. LOSS PER SHARE

Basic and diluted 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 nine months ended 30 September 2019 and 2018.

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss attributable to the owners of the Company (HK\$'000)	(3,225)	(826)	(7,362)	(5,195)
Weighted average number of ordinary shares in issue (thousands)	3,500,000	3,500,000	3,500,000	3,500,000
Basic and diluted loss per share (HK cents per share)	(0.09)	(0.02)	(0.21)	(0.15)

For the purpose of determining the diluted loss per share amount, no adjustment has been made to the basic loss per share amount for the nine months ended 30 September 2019 and 2018 as the Group had no potentially dilutive ordinary shares in issue during these periods.

8. SHARE CAPITAL

	Number of shares	Nominal value of ordinary shares HK\$'000
Authorised:		
At 1 January 2018, 31 December 2018 and 30 September 2019 (Unaudited)	50,000,000,000	100,000
Ordinary shares, issued and fully paid:		
At 1 January 2018, 31 December 2018 and 30 September 2019 (Unaudited)	3,500,000,000	7,000

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. For diversification purpose, the Group has also engaged in the concerts and events organization business during the current period.

During the reporting period, the global economic environment remains challenging and the momentum of economic growth has significantly slowed down in the second quarter of 2019, whereas material and labour costs maintain a rising track. The Group will endeavor to improve its revenue performance on its core business by executing flexible strategies to face the market challenges. 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.

(A) Proposed Acquisition

On 9 September 2019, the Company entered into a conditional sale and purchase agreement (the "Sale and Purchase Agreement") with a vendor in relation to the acquisition of 75% equity interest in Solomon Holdings Group Limited (the "Target Company", together with its subsidiaries "Target Group") (the "Proposed Acquisition"). The Target Group is principally engaged in the provision of financial printing services in Hong Kong.

The Group is of the view that the increase in the number of new listings and equity fund raising activities on the Stock Exchange is expected to bring growth of the financial printing services. According to available market statistics, the total number of listed companies has increased from 1547 in 2012 to 2315 in 2018; and the number of newly listed companies has shown a general increase from 64 in 2012 to 218 in 2018. The growing number of listed companies represents an expanding customer case for financial printers as publication of listing documents, announcements, circulars and annual reports is required in compliance with the listing rules and regulations, representing a greater demand for financial printing services. Further, the growing demand for financial printing service is also revealed in the increase in the equity fund raising activities in the Stock Exchange. From 2008 to 2018, the fund raised from IPO increased from HK\$66 billion to HK\$286 billion. Therefore, the Group is optimistic that the Proposed Acquisition, if materialized, would be conducive to profitability of the Group.

Despite certain uncertainties in the global economy, particularly the trade tensions between the US and China, the Group is positive about the Hong Kong financial markets as Hong Kong financial markets remain well positioned to be a listing and capital raising hub for major global and regional companies. With effect from 1 August 2019, the Group has also engaged a consultant, with a 2 years contract, who has over 15 years of relevant experience in financial printing industry to assist the Group to explore and evaluate business opportunities in the financial printing industry, in order to expand the Group's business portfolio, diversify income source and possibly enhance the financial performance of 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.

(B) *Placing of New Shares under Specific Mandate*

On 9 September 2019, the Company entered into a placing agreement (the "Placing Agreement") with Topper Dragon Securities Limited (the "Placing Agent"), pursuant to which the Placing Agent agrees, as agent of the Company, to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 660,000,000 placing shares at the placing price of HK\$0.028 to HK\$0.031 per placing share (the "Placing").

On 16 October 2019, the Proposed Acquisition and the Placing was approved by the Company's shareholders at the extraordinary general meeting. As at date of this report, the condition precedents stipulated in the Sale and Purchase Agreement and the Placing Agreement have not yet been fulfilled. The Proposed Acquisition and the Placing may or may not proceed.

Financial Review

Revenue

For the nine months ended 30 September 2019, total revenue of the Group decreased by about 10% to approximately HK\$44.92 million as compared with the corresponding period in 2018. The decrease in total revenue was mainly due to net effect of (i) the decrease in sales volume of cast metal products as a result of the global economy downturn and (ii) the new source of income arising from concerts and events organization of approximately HK\$2.79 million.

Cost of revenue 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 nine months ended 30 September 2019, the cost of sales of the Group decreased by about 13% to approximately HK\$34.44 million as compared with the corresponding period in 2018. Such decrease was primarily due to the net effect of (i) decrease in sales of cast metal products and (ii) the cost of services rendered for the new concerts and events organization business of approximately HK\$2.52 million.

The gross profit of the Group for the nine months ended 30 September 2019 is HK\$10.48 million while HK\$10.23 million for the nine months ended 30 September 2018. Such slightly increase was mainly due to the improvement of gross profit margin of metal casting business as a result of the depreciation of Renminbi during the period. The gross profit margin for the period increased to approximately 23% from approximately 21% for the corresponding period of last year.

Selling and distribution expenses

The Group's selling and distribution expenses for the nine months ended 30 September 2019 amounted to approximately HK\$3.18 million. Selling and distribution expenses comprised mainly packaging, delivery, customs, agency cost and insurance cost incurred in relation to the sales. The selling and distribution expenses remained at similar level during the period.

Administrative expenses

The Group's administrative expenses for the nine months ended 30 September 2019 amounted to approximately HK\$13.80 million, representing an approximately 20% increase as compared with the corresponding period in 2018 of approximately HK\$11.47 million. Administrative expenses primarily consist of salaries and benefit payments paid to directors and staff, exchange loss, audit fee and legal and professional fees to ensure on going compliance with relevant rules and regulations. The increase for the period was mainly due to addition staff recruited for the concert and event business.

Finance costs

Finance costs mainly represented the interest on lease liabilities and factoring charges. The increase for the nine months ended 30 September 2019 was mainly due to the effect on initial adoption of HKFRS 16 on 1 January 2019. Please refer to Note 2 to the Unaudited Condensed Consolidated Financial Statements for details.

Loss for the period

Loss attributable to owners of the Company for the nine months ended 30 September 2019 amounted to approximately HK\$7.36 million (nine months ended 30 September 2018: Loss of approximately HK\$5.20 million). Such increase was mainly due to the increase in administrative expenses as mentioned above.

Title defect risk in the leased properties

As at the date of this report, the Group has leased a foundry which is located at Qiuchang Town, Huiyang District, Huizhou City ("Qiuchang Foundry") as the Group's production base. The owner of the land where the Qiuchang Foundry is located (the "Owner") and the landlord of the Qiuchang Foundry (the "Landlord") do not possess valid collective land use rights certificates for construction land and building ownership certificates for the Qiuchang Foundry respectively. During the period, the Group has continued to actively liaise with the Owner and the Landlord for the progress of the rectification of the title defects for the leased property. However, the Owner and the Landlord are not able commit to a time frame to complete the rectification by reason that the relevant procedures are subject to approvals and inspections by the relevant authorities, which is not within the control of the Landlord. As a part of the risk management plan of the Group to mitigate the risk arising from the title defect of the leased property in the PRC, the Group has entered into a legally binding memorandum of understanding (the "MOU")

with a landlord for a backup plant located at Qingyuan City, Guangdong Province, the PRC. As at date of this report, the Owner is still in the process of applying for the collective land use rights certificates for construction land, being an important and necessary step for applying the building ownership certificate for the Qiuchang Foundry. The Group, the Owner and the Landlord had not received, and the relevant government authorities had not issued, any notice, letter or order, about the title defect of the Qiuchang Foundry. The MOU remains valid and the backup plant was not occupied by any other party.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2019, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long positions in shares of the Company:

Name of Director	Capacity	Number of shares held	Percentage of the Company's issued share capital
Mr. Choi Chiu Ming Jimmy ("Mr. Choi")	Interest of a controlled corporation	181,500,000 (Note 1)	5.18%

Long positions in shares of associated corporation:

Name of Director	Name of associated corporation	Capacity	Percentage of the associated corporation's issued share capital
Mr. Choi	Bravo Luck Limited ("Bravo Luck")	Directly beneficially owned (Note 1)	100%

Note:

- These 181,500,000 shares are held by Bravo Luck, which in turn is wholly and beneficially owned by Mr. Choi Chiu Ming, Jimmy, the executive director of the Company. As such, Mr. Choi is deemed under the SFO to be interested in these 181,500,000 shares held by Bravo Luck.

Save as disclosed above, as at 30 September 2019, none of the Directors and chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 September 2019, other than the director and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in shares of the Company:

Name	Note	Nature of interests	Number of shares held	Percentage of the Company's issued share capital
Bravo Luck	1	Beneficial interest	181,500,000	5.18%
Ms. Chan Suk Ha	2	Interest of spouse	181,500,000	5.18%
Mr. Fang Jinhua		Personal interest	739,240,000	21.12%

Notes:

1. Bravo Luck is wholly-owned by Mr. Choi.
2. Ms. Chan Suk Ha is the spouse of Mr. Choi. Under the SFO, Ms. Chan Suk Ha is deemed under the SFO, to be interested in all the shares in which Mr. Choi is interested.

Save as disclosed above, as at 30 September 2019, no other persons had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The Company has a share option scheme (the “Share Option Scheme”) which was approved and adopted by the sole shareholder of the Company by way of written resolutions passed on 10 April 2015.

No share option has been granted under the Share Option Scheme since its adoption.

DIRECTORS’ RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the nine months ended 30 September 2019 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the nine months ended 30 September 2019, 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 nine months ended 30 September 2019.

COMPETING INTERESTS

As at 30 September 2019, 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.

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 report 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 nine months ended 30 September 2019.

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

Hong Kong, 8 November 2019