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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)

(I) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF 75% EQUITY INTEREST IN SOLOMON HOLDINGS GROUP LIMITED;

AND

(II) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

(I) THE ACQUISITION

The Board is pleased to announce that on 9 September 2019 (after trading hours of the Stock Exchange), the Vendor, and the Company as the purchaser, entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire, the Sale Shares representing 75% of the issued share capital of the Target Company for the Consideration of HK\$2 million, which shall be settled by cash that is financed by part of the net proceeds from the Placing.

The Acquisition Completion is subject to, amongst other things, the Placing having been completed and the Company having sufficient funding to finance the payment of the Consideration. The Acquisition is subject to the terms and conditions detailed below in the section headed “The Acquisition” in this announcement.

(II) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 9 September 2019 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with 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. Placing Shares will be allotted and issued pursuant to a Specific Mandate to be sought from the Shareholders at the EGM to be convened in accordance with the GEM Listing Rules.

* *For identification purpose only*

Acquisition Completion and Placing Completion are inter-conditional and it is currently envisaged that the Acquisition and the Placing will be considered and approved at the same EGM based on detailed information to be disclosed to all Shareholders in the Circular. The Placing is subject to the terms and conditions detailed below in the section headed “The Placing Agreement” in this announcement.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Placing Completion, the maximum number of 660,000,000 Placing Shares under the Placing represents (i) approximately 18.86% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 15.87% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing are expected to range from HK\$18.48 million to HK\$20.46 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing are estimated to range from approximately HK\$18.00 million to HK\$19.93 million. The Company intends to apply the net proceeds from the Placing as to: (i) as to HK\$2.00 million to finance the Consideration; (ii) as to HK\$6.50 million as general working capital of the Target Group after Acquisition Completion and (iii) as to approximately HK\$9.50 million to HK\$11.43 million as general working capital of the Group.

GEM LISTING RULES IMPLICATIONS

The Acquisition

As one or more of the applicable percentage ratios under the GEM Listing Rules in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Rule 19.07 of the GEM Listing Rules and will accordingly be subject to the reporting, announcement and shareholders’ approval requirement under Chapter 19 of the GEM Listing Rules.

The Specific Mandate

The Company will seek the Shareholders’ approval at the EGM for the grant of the Specific Mandate to allot and issue of the Placing Shares. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in the Placing Shares on the Stock Exchange.

GENERAL

The EGM will be held to consider and, if thought fit, pass the ordinary resolutions to approve, among other things, the (i) Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) the Placing Agreement and the transactions contemplated thereunder; and (iii) the grant of the Specific Mandate for the allotment and issuance of the Placing Shares.

The Circular containing, among other things, further details of (i) the Sale and Purchase Agreement and the transaction contemplated thereunder; (ii) the Placing Agreement and the transactions contemplated thereunder; (iii) the Specific Mandate; and (iv) a notice convening the EGM will be despatched to the Shareholders on or before 30 September 2019 in accordance with the GEM Listing Rules.

Shareholders and potential investors of the Company should note that each of the Acquisition Completion and the Placing Completion is subject to the fulfilment (or, as the case may be, waiver) of the conditions set out in the Sale and Purchase Agreement and the Placing Agreement respectively. The Acquisition and the Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the securities of the Company.

INTRODUCTION

(I) THE ACQUISITION

The Board is pleased to announce that on 9 September 2019 (after trading hours of the Stock Exchange), the Vendor entered into the Sale and Purchase Agreement with the Company, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire, the Sale Shares. Set out below are the principal terms of the Sale and Purchase Agreement:

The Sale and Purchase Agreement

Date: 9 September 2019 (after trading hours of the Stock Exchange)

Parties: (1) the Vendor; and
(2) the Company as the purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

Subject matter to be acquired

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to acquire the Sale Shares, representing 75% the entire issued share capital of the Target Company as at the date of this announcement.

Consideration

Pursuant to the Sale and Purchase Agreement, the total consideration for the sale and purchase of the Sale Shares shall be the sum of HK\$2 million which shall be settled by the Company to the Vendor upon Acquisition Completion (or such later date as the parties may agree).

Completion of the Sale and Purchase Agreement is subject to, among others things, the Company having sufficient funding to finance the payment of the Consideration at Acquisition Completion. As disclosed in this announcement, the Company proposes to launch the Placing which is conditional upon raising of aggregate of minimum gross proceeds of HK\$18.48 million which is sufficient to cover the Consideration. If the Company does not manage to raise minimum gross proceeds of HK\$18.48 million through the Placing, it does not intend to proceed with the Acquisition Completion under the Sale and Purchase Agreement.

Basis for determination of the Consideration

The Consideration was agreed between the Vendor and the Company after arm's length negotiations on normal commercial terms with reference to, among other things, (i) the business development and performance of the Target Group since its establishment date; (ii) the future business prospect of the Target Group; (iii) the preliminary due diligence valuation work prepared by Royson Valuation Advisory Limited in relation to the fair value of 100% equity interest in the Target Group using market based approach compared to other listed comparables engaging in similar business as the Target Group in Hong Kong and (iv) reasons and benefits of the Acquisition as stated under the section headed "Reasons and benefits of the Acquisition" below.

The Directors (including the independent non-executive Directors) consider the Sale and Purchase Agreement is on normal and commercial terms and thus the Consideration is fair and reasonable in the interests of the Company and the Shareholders as a whole.

Conditions precedent to the Acquisition

Acquisition Completion is subject to and conditional upon the satisfaction in full or (as the case may be) waiver of the following Conditions:

- (a) the Company being satisfied with the results of the due diligence review, including but not limited to the business, affairs, operations, assets, accounts, liabilities, financial condition, legal, taxation, prospects and records of the Target Group;
- (b) (i) all necessary consents, approvals, permits and/or authorisations required to be obtained by the Vendor and/or the Target Group in respect of the transactions contemplated under the Sale and Purchase Agreement having been obtained; and (ii) all necessary consents, approvals, permits and/or authorisations required to be obtained by the Company in respect of the transactions contemplated under the Sale and Purchase Agreement having been obtained;
- (c) no applicable laws, order or governmental authority shall have been enacted, made effective or constituted (as the case may be) that materially delays or makes illegal the performance of the Sale and Purchase Agreement;
- (d) all regulatory approval required to be obtained by the Vendor and the Company in relation to the Sale and Purchase Agreement having obtained on terms reasonably satisfactorily to the Company;
- (e) the Shareholders having approved the execution of the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM in accordance with the GEM Listing Rules;
- (f) no material adverse change having occurred to the business, assets, financial position and performance of the Target Group prior to the date of the Acquisition Completion;
- (g) the Placing having been completed and the Company having sufficient funding to finance the payment of the Consideration at the Acquisition Completion;
- (h) the warranties contained in the Sale and Purchase Agreement shall remain true, accurate in all material respects and not misleading in any material respects as giving as at the date of the Sale and Purchase Agreement and at all times up to and including the Acquisition Completion Date.

The Company may in its absolute discretion waive either in whole or in part at any time any of the Conditions (except for (b), (c), (d), (e) and (g) which are incapable of being waived by the Company. If any of the Conditions has not been fulfilled or (as the case may be) waived by the Company at or before 4:00 pm on the Acquisition

Long Stop Date, the Sale and Purchase Agreement shall cease to have any effect whatsoever and none of the parties to the Sale and Purchase Agreement shall have any obligations and liabilities thereunder save in respect of any claims arising out of any antecedent breach of the Sale and Purchase Agreement.

Completion

Subject to fulfillment or waiver (where applicable) of the Conditions, the Acquisition Completion shall take place on the Acquisition Completion Date (or such other time and/or day as the Company and the Vendor may agree).

INFORMATION OF THE VENDOR AND THE TARGET GROUP

Information on the Vendor

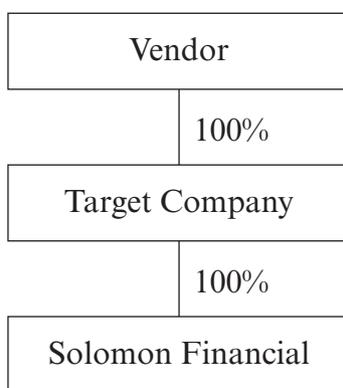
The Vendor, Ms. Woo Lan Mei, is a third party independent of the Company and its connected persons as at the date of this announcement.

Information on the Target Group

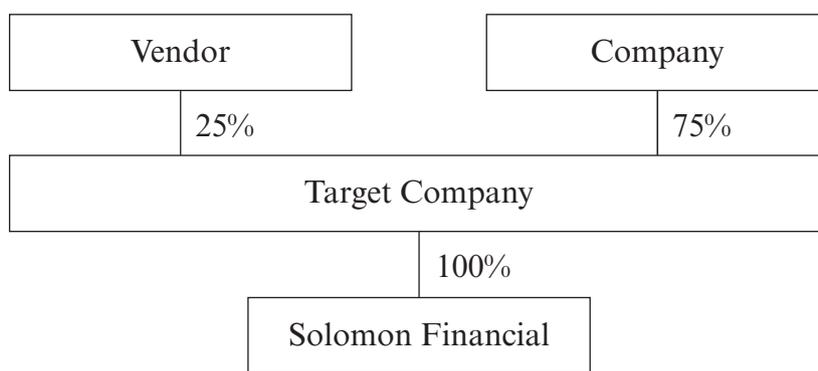
The Target Company is a company incorporated in the BVI with limited liability on 12 June 2017 and is principally engaged in investment holding. As at the date of this announcement, the Target Company is directly wholly-owned by the Vendor. The Target Company has not recorded any profits as it has no business operation since it was incorporated. It has US\$100,000 paid-up capital as at the date of this announcement.

Solomon Financial Press Limited (“**Solomon Financial**”) is a company incorporated in Hong Kong with limited liability on 15 June 2017 and has HK\$600,000 paid-up capital as at the date of this announcement. Solomon Financial is directly wholly-owned by the Target Company and principally engaged in the provision of financial printing service in Hong Kong. Financial printing services refer to specialized services for production of documents and publications including prospectus for initial public offering (“**IPO**”), corporate announcements, financial reports (e.g. annual, interim and/or quarterly reports) and circulars, etc.. Major customers of financial printing services company include listed companies and IPO applicants.

Shareholding structure of the Target Group before the Acquisition Completion:



Shareholding structure of the Target Group upon Acquisition Completion:



Financial information of the Target Group

Set out below is the summary of the unaudited financial information of the Target Group:

	Period from date of incorporation (12 June 2017) to 31 March 2018 <i>HK\$'000</i>	For the year ended 31 March 2019 <i>HK\$'000</i>	For the four months ended 31 July 2019 <i>HK\$'000</i>
Revenue	3,522	34,668	23,323
Profit/(loss) before tax	(9,233)	(21,371)	1,894
Profit/(loss) after tax	(9,233)	(21,371)	1,894

The unaudited net liabilities of the Target Group is approximately HK\$29.8 million as at 31 March 2019.

Since the Target Group was incorporated in June 2017, the Target Group recorded rapid growth in the revenue; however, it recorded net loss and net liabilities due to (i) the substantial amount of start-up cost including labour cost, leasing expenses and

capital expenses, (ii) the production capacity is not fully utilised, and (iii) the Vendor provided financial assistance to the Target Group amounted approximately HK\$33.0 million up to 31 March 2019.

In light of the above financial position of the Target Group and financial assistance provided by the Vendor, the Vendor would like to introduce the Company as strategic investor to enhance the financial performance by leveraging the Group's resources and expertise. In this connection, subject to the Acquisition Completion and Placing Completion taking place, the Vendor has agreed to waive the amount of financial assistance that she provided to the Target Group of approximately HK\$33.0 million up to 31 March 2019 upon the Acquisition Completion. For any further financial assistance provided or to be provided by the Vendor to the Target Group from 1 April 2019 up to the Acquisition Completion Date, the amount will be unsecured, non-interest bearing and will be repayable to the Vendor when the directors of the Target Company consider and determine (in their sole discretion) that the Target Group has adequate funds to repay the same after reviewing the financial performance and financial needs of the Target Group. Taking into account the abovementioned waiver of financial assistance of approximately HK\$33.0 million, the adjusted unaudited net assets of the Target Group as at 31 July 2019 is approximately HK\$3.8 million.

REASONS AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the manufacturing of metal casting parts and components in the PRC and sells its products to Germany, PRC, Hong Kong and the United States (the “**Manufacturing Business**”). For diversification purpose, the Group has also engaged in the concerts and events organization business.

Strategies to tackle the market challenges

As disclosed in the Company's interim report for the six months ended 30 June 2019, the Group will endeavor to improve its revenue performance by executing flexible strategies to face the market challenges. Considering that the global economic environment remains challenging and the momentum of economic growth has significantly slowed down in the second quarter of 2019, in particular the uncertainty and trade tension between the United States and PRC, the Board believes that it is necessary for the Group to explore other business opportunities with a view to broadening the Group's revenue source other than the Manufacturing Business.

Business opportunity and actions taken by the Group

According to the available market statistics, the total number of listed companies has increased from 1,547 in 2012 to 2,315 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 base for financial

printers as publication of listing documents, announcements, circulars and annual reports is required in compliance with listing rules and regulations, representing a greater demand for financial printing services.

In light of the above, the Group is of the view that the increase in the number of new listings in equity fund raising activities on the Stock Exchange is expected to bring growth of the financial printing service. Therefore, the Company entered into a memorandum of understanding with the Vendor in relation to the Acquisition on 10 June 2019, and the Company has engaged a consultant with effect from 1 August 2019, who has over 15 years of relevant experience in financial printing industry to assist the Group to explore and evaluate the proposed Acquisition, in order to expand the Group's business portfolio, diversify income source and possibly enhance the financial performance of the Group.

Factors considered and benefit of the Acquisition

There are several key entrant barriers for the financial printing service industry, including, (i) financial printing services industry is labour-intensive in nature and requires a number of various professionals including designers, translators and printing management staff in order to maintain a seamless year-round operation; (ii) track record and service level play important roles in the success of a financial printing service provider; and (iii) customer referral is common in the industry, and investment banks and listed companies prefer to refer financial printers based on portfolio, experience, service and scale of operations. Therefore, the Group is of the view that acquiring a financial printing service company is the most efficient way entering into the financial printing service industry compared to setting up a new company.

Having considered numerous factors, among others, including (i) the rapid growth in the revenue of the Target Group within a short period of time, (ii) experience and network of the management team of the Target Group in the financial printing service industry, (iii) its unutilised production capacity, and (iv) its improved financial performance in 2019, the Directors are of the view that the future prospect of the Target Group is positive despite the Target Group recorded net loss and net liability since its establishment in 2017. If the Acquisition and the Placing materialize, the Directors believe that the Target Group could result a turnaround of its financial performance with the use of the financial resource from the Placing and certain resources and expertise of the Group. Therefore, the Directors are of the view that the Group would benefit from diversifying its revenue source through the Acquisition.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

(II) THE PROPOSED PLACING OF NEW SHARES UNDER THE SPECIFIC MANDATE

On 9 September 2019 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with 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.

Details of the Placing Agreement are summarised below:

The Placing Agreement

Date: 9 September (after trading hours)

Parties: (i) the Company (as the issuer); and
(ii) Topper Dragon Securities Limited (as the Placing Agent).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owners is an Independent Third Party.

Placing Commission

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 2.5% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares.

Placees

The Placing Shares will be placed to not less than six Placees who shall be professional, institutional and/or other investors, and who and whose ultimate beneficial owners are Independent Third Parties. Upon Placing Completion, it is expected that none of the Placees will become a substantial shareholder of the Company. If any of the Placees will become a substantial shareholder of the Company after Placing Completion, further announcement will be made by the Company.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Placing Completion, the maximum number of 660,000,000 Placing Shares under the Placing represents (i) approximately 18.86% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 15.87% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The maximum aggregate nominal value of the Placing Shares will be approximately HK\$1.32 million.

The Placing Shares will be allotted and issued under the Specific Mandate to be approved by the Shareholders at the EGM. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The minimum Placing Price of HK\$0.028 per Placing Share represents:

- (i) a discount of approximately 6.67% to the closing price of HK\$0.03 per Share as quoted on the Stock Exchange on 9 September 2019, being the date of the Placing Agreement;
- (ii) a discount of approximately 2.78% to the average closing price of approximately HK\$0.0288 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement;
- (iii) a premium of approximately 180% over the net asset value of approximately HK\$0.01 per Share as at 30 June 2019 (based on the consolidated net assets of the Group of the approximately HK\$34.42 million as at 30 June 2019 and 3,500,000,000 Shares in issue as at the date of this announcement.)

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to, among other things, the prevailing market prices and the recent trading performance of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price and the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable based on the current market conditions and that the Placing is in the interests of the Company and the Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the issued Shares as at the date of Placing Completion.

Conditions of the Placing

The Placing is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and the permission to deal in, the Placing Shares;
- (ii) the passing of a resolution by the Shareholders at the EGM to approve (a) the Placing Agreement and the transactions contemplated thereunder; and (b) the grant of the Specific Mandate for the allotment and issue of the Placing Shares;
- (iii) the Sale and Purchase Agreement having become unconditional in all respects (other than the Placing having completed); and
- (iv) all necessary consents, approvals, authorisations and/or waivers on the part of each of the Placing Agent and the Company having been obtained to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement.

None of the above conditions can be waived. In the event that any of the above conditions is not fulfilled by the Placing Long Stop Date, all rights, obligations and liabilities of the parties to the Placing Agreement in relation to the Placing shall cease and determine and none of the parties thereto shall have any claim against any other party in respect of the Placing save for any antecedent breaches.

Completion of the Placing

Placing Completion shall take place on a date falling within seven (7) Business Days (or on such other date as may be agreed between the Company and the Placing Agent) following the fulfilment of all the conditions set out in the Placing Agreement.

Termination

The Placing Agent shall be entitled by notice in writing to the Company at any time prior to the Placing Completion to terminate the Placing Agreement upon the occurrence of any of the following events which, in the reasonable opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions, affairs or prospects of the Group taken as a whole or the success of the Placing or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

- (A) there develops, occurs or comes into force:
- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material change in, or which may result in a material change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong or any other jurisdiction relevant to the Group; or
 - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iii) any material change in conditions of local, national or international securities markets occurs in Hong Kong, the PRC or the United States; or
 - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
 - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or any other jurisdiction relevant to the Group; or
- (B) any material breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement which, if remediable, is not duly rectified by the Company within seven (7) Business Days of written notice being given to the Company of such breach by the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Placing Completion which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing

Agreement, which in each case, if remediable, is not duly rectified by the Company within seven (7) Business Days of written notice being given to the Company of such breach by the Placing Agent; or

- (C) there is any material adverse change in the financial position of the Group taken as a whole.

Upon giving of the above mentioned notice by the Placing Agent to the Company, the Placing Agreement shall terminate and be of no further effect and all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement; and any out-of-pocket expenses which have been properly and reasonably incurred under the terms of the Placing Agreement prior to such termination.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Placing Shares.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

As disclosed in this Announcement, the Company intends to use part of the net proceeds raised by the Placing to satisfy to Consideration under the Sale and Purchase Agreement. Further, the Directors are of the view that the Placing can strengthen the financial position of the Group and provide additional working capital to the Group for its corporate purposes and for the operation of the Target Group after Acquisition Completion. The Placing also represents good opportunities to broaden the shareholders' base and the capital base of the Company, which may in turn enhance the liquidity of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing is in the interests of the Company and the Shareholders as a whole.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing are expected to range from HK\$18.48 million to HK\$20.46 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing are estimated to range from approximately HK\$18.00 million to HK\$19.93 million. The net price per Placing Share will be approximately HK\$0.027 to HK\$0.030. The Company intends to apply the net proceeds from the Placing as to: (i) as to HK\$2.00 million to pay the Consideration under the Sale and Purchase Agreement; (ii) as to HK\$6.50 million as general working capital of the Target Group after Acquisition Completion and (iii) as to approximately HK\$9.50 million to HK\$11.43 million as general working capital of the Group.

The Directors had considered other fund raising alternatives available to the Group such as debt financing, rights issues and open offer. However, debt financing will result in additional interest burden. Accordingly, the Directors considers that it is prudent to finance the funding needs of the Group in the form of equity which will not increase the Group's finance costs. On the other hand, rights issue or open offer usually require discount to the current market price of the Shares and involve the issue of listing documents with other application and administrative procedures which is relatively more time consuming and less cost effective, the Directors considers that the issue of Placing Shares under Specific Mandate is a more desirable solution for the Group to reduce the gearing ratio and enlarge the capital base for business development. Although the allotment and issue of the Placing Shares will have a dilution effect to the existing Shareholders, having considered (i) the Placing Price represents a premium over the net tangible assets of the Group per Share as of 30 June 2019; (ii) the Placing Shares, when allotted and issued, will be recognized entirely as equity of the Company which in turn will reduce the gearing ratio, enlarge the capital base for business development and enhance the net asset position of the Company, the Directors consider that the dilution effect arising from the allotment and issue of the Placing Shares is justifiable in this regard. In view of the above, the Directors consider that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable so far as the Company and the Shareholders are concerned. Save for the above and as at the date of this announcement, the Directors does not have any intention or plan (initial or concrete) or otherwise foresee to undertake any fund raising plans. However, the Directors will not rule out that they may consider fundraising activities when it is reasonably necessary for the Group to raise fund to meet its operational needs or for future development. The Directors will consider carefully the likely impact on the Shareholders before they will proceed on any such fund raising exercises.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has not carried out any fund raising activities during the past 12 months immediately preceding the date of this announcement.

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

The changes in the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after the completion of the Placing) are as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing (assuming all the Placing Shares are fully placed)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Fang Jinhua	739,240,000	21.12	739,240,000	17.77
Bravo Luck Limited (Note 1)	181,500,000	5.18	181,500,000	4.36
Public				
The Placees	—	—	660,000,000	15.87
Public Shareholders	<u>2,579,260,000</u>	<u>73.70</u>	<u>2,579,260,000</u>	<u>62.00</u>
Total	<u>3,500,000,000</u>	<u>100.00</u>	<u>4,160,000,000</u>	<u>100.00</u>

Note:

1. Bravo Luck Limited is beneficially and wholly owned by Mr. Choi Chiu Ming Jimmy, the chairman of the Company and an executive Director.

THE GEM LISTING RULES IMPLICATIONS

Major transaction

As one or more of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Rule 19.06(3) of the GEM Listing Rules and will accordingly be subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

EGM

The Company will seek the Shareholders' approval at the EGM for the grant of the Specific Mandate to allot and issue of the Placing Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition or the Placing which is different from other Shareholders, and therefore no Shareholder is required to abstain from voting on the relevant resolution(s) in respect of the Sale and Purchase Agreement and the Placing Agreement and the transactions contemplated thereunder to be proposed at the general meeting if the Company is to convene a general meeting for approving the Sale and Purchase Agreement and the Placing Agreement and the transactions contemplated thereunder respectively.

GENERAL

The Circular containing further information on the (i) Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) the Placing and the transactions contemplated thereunder; (iii) the Specific Mandate; and (iv) a notice to convene EGM is expected to be despatched to the Shareholders on or before 30 September 2019 in accordance with the GEM Listing Rules.

WARNING

Shareholders and potential investors of the Company should note that each of the Acquisition Completion and the Placing Completion is subject to the fulfilment (or, as the case may be, waiver) of the conditions set out in the Sale and Purchase Agreement and the Placing Agreement respectively. The Acquisition and the Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context otherwise requires, the following expressions in this announcement shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares pursuant to the terms and conditions of the Sale and Purchase Agreement
“Acquisition Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Acquisition Completion Date”	within seven (7) Business Days after the fulfillment (or, where applicable, waiver) of all the conditions set out in the Sale and Purchase Agreement or at such other time as the Company and the Vendor may mutually agree in writing
“Acquisition Long Stop Date”	31 December 2019 or at such other time as the Company and the Vendor may mutually agree in writing
“associate”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks are open for business in Hong Kong, except a Saturday, Sunday or public holiday or a day which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“BVI”	the British Virgin Islands
“Circular”	the circular required to be despatched by the Company to its Shareholders in relation to the Acquisition and the Placing (including the Specific Mandate) under the GEM Listing Rules
“Company”	Jete Power Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed and traded on the GEM of the Stock Exchange (Stock Code: 8133)
“Condition(s)”	The condition precedents set out in the Sale and Purchase Agreement which must be satisfied or waived (as the case may be) for the Acquisition Completion to take place
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules

“Consideration”	the sum of HK\$2 million payable by the Company to the Vendor for the Acquisition
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve among other things; (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) the Placing Agreement and the transactions contemplated thereunder; and (iii) the grant of the Specific Mandate for the issuance of Placing Shares
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and its directors, chief executive, and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Committee”	the Listing Committee of the Stock Exchange
“Placees”	any investor who is either an institutional investor and/or professional or private investor which is an Independent Third Party, whom the Placing Agent and/or any of its agent(s) has/have procured to subscribe for the Placing Shares
“Placing”	the placing of Placing Shares by the Placing Agent pursuant to the Placing Agreement
“Placing Agent”	Topper Dragon Securities Limited, a licensed corporation incorporated in Hong Kong to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 9 September 2019 in relation to the Placing under the Specific Mandate
“Placing Completion”	Completion of the Placing in accordance with the Placing Agreement
“Placing Long Stop Date”	31 December 2019 or at such other time as the Company and the Placing Agent(s) may mutually agree
“Placing Price”	HK\$0.028 to HK\$0.031 per Placing Share
“Placing Share(s)”	a maximum of 660,000,000 new Shares to be allotted and issued to the Placees by the Company through the Placing procured by the Placing Agent
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 9 September 2019 entered into between the Vendor and the Company in respect of the sale and purchase of the Sale Shares
“Sale Shares”	37,500 issued shares of the Target Company representing 75% of the issued share capital of the Target Company as at the date of this announcement
“Share(s)”	ordinary share(s) of HK\$0.002 each in the share capital of the Company
“Shareholders”	holders of the issued Shares
“Specific Mandate”	a specific mandate to allot, issue and otherwise deal in additional Shares to be sought from the Shareholders who are entitled to vote and not required to be abstained from voting under the GEM Listing Rules at the EGM to satisfy the allotment and issue of the Placing Shares upon the Placing Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Solomon Holdings Group Limited, a company incorporated in the BVI with limited liability and wholly-owned by the Vendor as at the date of this announcement
“Target Group”	Target Company and its subsidiary

“Vendor”	Ms. Woo Lan Mei, an Independent Third Party who holds the entire issued share capital of the Target Company as at the date of this announcement
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

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

Hong Kong, 9 September 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 on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.jetepower.com.