

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 2015

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.

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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 2015 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 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	4	54,328	61,194
Cost of sales		<u>(42,878)</u>	<u>(41,552)</u>
Gross profit		11,450	19,642
Other income		123	90
Selling and distribution expenses		(3,941)	(3,271)
Administrative expenses		(19,563)	(16,338)
Finance costs	6	<u>(332)</u>	<u>(522)</u>
Loss before tax		(12,263)	(399)
Income tax expense	7	<u>(196)</u>	<u>(1,412)</u>
Loss for the year attributable to the owners of the Company	8	(12,459)	(1,811)
Other comprehensive expense for the year <i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation		<u>(1,294)</u>	<u>(717)</u>
Total comprehensive expense for the year attributable to the owners of the Company		<u>(13,753)</u>	<u>(2,528)</u>
Loss per share	10	HK cents	HK cents
Basic		<u>(1.91)</u>	<u>(0.33)</u>
Diluted		<u>(1.91)</u>	<u>(0.33)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Plant and equipment		15,795	14,265
Rental deposit		823	874
		<u>16,618</u>	<u>15,139</u>
Current assets			
Inventories		19,255	18,520
Trade and other receivables, deposits and prepayments	<i>11</i>	8,396	10,760
Amount due from a shareholder		–	54
Tax recoverable		840	288
Pledged bank deposit		3,502	3,502
Bank balances and cash		15,886	2,183
		<u>47,879</u>	<u>35,307</u>
Current liabilities			
Trade and other payables	<i>12</i>	12,669	11,323
Income tax payables		–	63
Amount due to a shareholder		2,459	505
Bank borrowings		5,454	5,958
Obligation under a finance lease		–	94
		<u>20,582</u>	<u>17,943</u>
Net current assets		<u>27,297</u>	<u>17,364</u>
Total assets less current liabilities		<u>43,915</u>	<u>32,503</u>
Non-current liabilities			
Obligation under a finance lease		–	253
		<u>–</u>	<u>253</u>
		<u>43,915</u>	<u>32,250</u>
Capital and reserves			
Share capital	<i>13</i>	7,000	78
Reserves		36,915	32,172
		<u>43,915</u>	<u>32,250</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. CORPORATE INFORMATION AND REORGANISATION

1.1 General information of the Group

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 Company is an investment holding company. Its major operating subsidiaries are mainly engaged in manufacturing and trading of cast metal products (the "Business"). Prior to the completion of the reorganisation as described in Note 1.2 below (the "Reorganisation"), the Business was principally operated through G. Force (Hong Kong) Limited ("G. Force (Hong Kong)") and KTech Industrial Technology (Huizhou) Limited ("KTech (Huizhou)") and the Business was ultimately controlled by Mr. Wong Thomas Wai Yuk ("Mr. Thomas Wong" or the "Controlling Shareholder").

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\$.

1.2 Reorganisation

The Group underwent the following Reorganisation steps in preparation for the Listing during the year.

The Group underwent a series of transactions to transfer the companies engaged in manufacturing and trading of cast metal products which were controlled by Mr. Thomas Wong, to the Company. Detailed procedures of the Reorganisation are as follows:

- (i) The Company was incorporated on 24 February 2014 which was ultimately owned by Pure Goal Holdings Limited ("Pure Goal").
- (ii) On 10 April 2015, Pure Goal, Well Gainer Limited ("Well Gainer") and Bravo Luck Limited ("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.

Immediately after completion of the share transfer, the Company became the holding company of the Group.

- (iii) On 30 April 2015, the shares of the Company became listed on the Stock Exchange, where 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.
- (iv) On 30 April 2015, the Company capitalised HK\$5,500,000 by debiting the share premium account of the Company and applied such sum to pay up in full at par a total of 549,990,000 shares for allotment and issue to the shareholders in proportion to their respectively shareholdings.

2. BASIS OF PREPARATION OF FINANCIAL INFORMATION

The Group comprising the Company and its subsidiaries controlled by Mr. Thomas Wong is regarded as a continuing entity. Accordingly, the financial statements have been prepared on a combined basis as if the Company had always been the holding company of the Group by applying the principles of merger accounting with reference to Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the HKICPA as if the current group structure had been in existence at the beginning of the year ended 31 December 2014.

The consolidated statements of profit or loss and other comprehensive income including the results of the companies comprising the Group have been prepared as if the current group structure had been in existence throughout the year ended 31 December 2014 and 2015 or since their respective dates of incorporation, whichever is the shorter period. The consolidated statements of financial position of the Group as at 31 December 2014 and 2015 have been prepared to present the assets and liabilities of the companies comprising the Group as if the current group structure had been in existence as at those dates.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The Group has applied all the HKFRSs, Hong Kong Accounting Standards (“HKASs”), amendments and interpretations (“Int(s)”) issued by the HKICPA which are effective for the Group’s financial year beginning on 1 January 2015.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

The annual report requirements of Part 9 “Accounts and Audit” of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle ¹
Amendments to HKAS 1	Disclosure Initiative ¹
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ¹
Amendments to HKAS 27	Equity Method in Separate Financial Statements ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ¹
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹

¹ Effective for annual periods beginning on or after 1 January 2016.

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

³ Effective date not yet determined.

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.

4. REVENUE

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

5. SEGMENT INFORMATION

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

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

Information about geographical areas

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

Information about the Group's revenue from external customers is presented based on the location of the customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

For the year ended 31 December 2015

	Revenue <i>HK\$'000</i>	Non-current assets <i>HK\$'000</i>
Germany	42,790	–
Hong Kong	5,547	294
The PRC	2,555	15,501
The United States	1,325	–
Others	2,111	–
	<u>54,328</u>	<u>15,795</u>

For the year ended 31 December 2014

	Revenue <i>HK\$'000</i>	Non-current assets <i>HK\$'000</i>
Germany	43,211	–
Hong Kong	10,302	403
The PRC	3,065	13,862
The United States	2,186	–
Others	2,430	–
	<u>61,194</u>	<u>14,265</u>

Note: Non-current assets excluded financial instruments.

Information about major customers

Details of the customer accounting for 10% or more of aggregate revenue of the Group for the years ended 31 December 2015 and 2014 are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Customer A	18,467	17,546
Customer B	12,527	13,078
Customer C	N/A ¹	7,925

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

6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest on:		
– Bank borrowings	307	499
– Finance lease	25	23
	<u>332</u>	<u>522</u>

7. INCOME TAX EXPENSE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax (“HK Profits Tax”)	–	1,314
PRC Enterprise Income Tax (“EIT”)	156	98
	<u>156</u>	<u>1,412</u>
Under-provision in prior years:		
PRC Enterprise Income Tax (“EIT”)	40	–
	<u>196</u>	<u>1,412</u>

- (i) HK Profits Tax is calculated at 16.5% on the estimated assessable profits for 2014. No provision for HK Profits Tax has been made in the consolidated financial statement as the Company did not have assessable profits subject to HK Profits Tax for 2015.
- (ii) Under the Law of the PRC on EIT and implementation regulation of the EIT Law, the tax rate of the subsidiary established in the PRC is 25% for both years.
- (iii) As at 31 December 2015, the aggregate amount of temporary differences associated with the PRC subsidiary’s undistributed retained earnings for which deferred tax liabilities has not been recognised is approximately HK\$101,000 (2014: HK\$86,000). No deferred tax liabilities have been recognised in respect of these differences because the Group is in a position to control the dividend policies of the subsidiary and it is probable that such differences will not be reversed in the foreseeable future.

8. LOSS FOR THE YEAR

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loss for the year has been arrived at after charging:		
Directors' emoluments	1,883	1,217
Salaries, wages and other benefits	12,591	9,178
Contribution to defined contribution retirement benefits scheme (excluding directors of the Company)	<u>1,037</u>	<u>1,004</u>
	<u>15,511</u>	<u>11,399</u>
Auditor's remuneration	450	300
Professional expenses incurred in connection with the Company's listing	5,585	8,230
Cost of inventories recognised as expense	42,878	41,552
Depreciation of plant and equipment	1,949	1,504
Loss on disposal of plant and equipment	–	77
Net exchange loss	700	789
Operating lease charges in respect of properties	<u>1,614</u>	<u>1,617</u>

9. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2015, nor has any dividend been proposed since the end of the reporting period (2014: HK\$14,500,000).

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Loss for the purpose of basic and diluted loss per share:		
Loss for the year attributable to owners of the Company	<u>12,459</u>	<u>1,811</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (<i>Note (a)</i>)	<u>651,095,890</u>	<u>550,000,000</u>

Note (a) The weighted average number of ordinary shares for the purposes of basic loss per share for the years ended 31 December 2015 and 2014 has been retrospectively adjusted for the effects of the issue and capitalisation of the ordinary shares of the company which took place as reorganisation for the preparation for the company's listing.

Note (b) No adjustment has been made to the basis loss per share amount for the years ended 31 December 2015 and 2014 as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2015 and 2014.

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	5,412	7,415
Other tax recoverable	1,710	1,910
Prepayments	863	1,080
Deposits and other receivables	1,234	1,229
	<hr/>	<hr/>
Trade and other receivables	9,219	11,634
Less: Rental deposit shown under non-current assets	(823)	(874)
	<hr/>	<hr/>
Current portion	8,396	10,760
	<hr/>	<hr/>

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 30 days	1,625	4,237
31 to 60 days	3,068	1,379
61 to 90 days	719	1,628
Over 90 days	–	171
	<hr/>	<hr/>
Total	5,412	7,415
	<hr/>	<hr/>

12. TRADE AND OTHER PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	6,028	5,573
Other payables	6,641	5,750
	<hr/>	<hr/>
Trade and other payables	12,669	11,323
	<hr/>	<hr/>

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 30 days	1,608	1,590
31 to 60 days	1,296	1,239
61 to 90 days	1,549	1,045
Over 90 days	1,575	1,699
	<hr/>	<hr/>
Trade payables	6,028	5,573
	<hr/>	<hr/>

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

13. SHARE CAPITAL

	Number of shares	Nominal value of ordinary shares <i>HK\$'000</i>
Authorised:		
At 1 January	–	–
Incorporation of the Company on 24 February 2014	38,000,000	380
At 31 December 2014 and 1 January 2015	38,000,000	380
Increase in authorised share capital pursuant to written resolutions of the shareholders of the Company on 10 April 2015	962,000,000	9,620
At 31 December 2015	<u>1,000,000,000</u>	<u>10,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 January 2014	–	–
Issue of share upon incorporation	1	–
At 31 December 2014 and 1 January 2015	1	–
Issue of shares pursuant to a reorganisation (<i>Note (a)</i>)	9,999	–
Issue of shares by way of placing (<i>Note (b)</i>)	150,000,000	1,500
Capitalisation issue (<i>Note (c)</i>)	549,990,000	5,500
At 31 December 2015	<u>700,000,000</u>	<u>7,000</u>

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

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

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

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 categorised 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.

On 30 April 2015, the Company was successfully listed on GEM. The proceeds received have strengthened the Group's cash flow and the Group will implement its future plans and business strategies according to the schedule set out in the Prospectus. The net proceeds will be applied towards increasing the production capacity in the Qiuchang Foundry, enhancing the marketing effort to attract new customers and strengthen the quality control system to maintain the strong customer relationship with existing customers.

It is the Group's strategy to broaden the customer base by carrying out marketing activities such as participation in industry exhibitions. In June 2015, the Group joined theACHEMA exhibition which is the world forum for chemical engineering and process industry held in Frankfurt, Germany. 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 2015, total revenue of the Group decreased by about 11% to approximately HK\$54.33 million as compared with the corresponding period in 2014. The decrease in total revenue was mainly due to the decrease in sales volume and the depreciation of Euro against RMB as compared to the corresponding period in 2014. The decrease in sales volume was mainly due to (i) the Chinese New Year's holiday of the Company was extended from 13 days in 2014 to 24 days in 2015 and hence the factory output in February 2015 was lower than February 2014; and (ii) the decrease in orders from valve components as compared to the same period in 2014.

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 2015, the cost of sales of the Group increased by about 3% to approximately HK\$42.88 million as compared with the corresponding period in 2014. Such increase was mainly attributable to the net effect of (i) increase in direct labour cost and manufacturing overheads and (ii) the decrease in sales volume.

The gross profit of the Group decreased from HK\$19.64 million, for the year ended 31 December 2014 to HK\$11.45 million for the year ended 31 December 2015. The gross profit margin for the year decreased to approximately 21% from approximately 32% for the corresponding period of last year. Such decrease was mainly due to (i) the decrease in sales from valve components which has a relatively higher gross profit margin; (ii) the depreciation of Euro during the current period as compared with the corresponding period in 2014 and (iii) the increase in direct labour cost and manufacturing overheads.

Selling and distribution expenses

The Group's selling and distribution expenses for the year ended 31 December 2015 amounted to approximately HK\$3.94 million, representing an approximately 20% increase as compared with the corresponding period in 2014 of approximately HK\$3.27 million. Selling and distribution expenses comprised mainly packaging, delivery, customs and insurance cost incurred in relation to the sales. Such increase was mainly due to the increase in agency cost.

Administrative expenses

The Group's administrative expenses for the year ended 31 December 2015 amounted to approximately HK\$19.56 million, representing an approximately 20% increase as compared with the corresponding period in 2014 of approximately HK\$16.34 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 increase was mainly due to the (i) the donation during the year of HK\$0.90 million and (ii) the increase in staff cost and various compliance and professional fees incurred after the listing of the Company.

Finance costs

Finance costs mainly represent the interest on bank borrowings. The decrease for the year ended 31 December 2015 was mainly due to the decrease in the bank borrowings outstanding during the period as compared with the corresponding period in 2014.

Loss for the year

Loss attributable to owners of the Company for the year ended 31 December 2015 amounted to approximately HK\$12.46 million (2014: HK\$1.81 million). The increase was mainly attributable to the decrease in revenue and 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, the Group's principal sources of funds are cash generated from operations, bank borrowings and proceeds from issue of shares. The Group had cash and cash equivalents of approximately HK\$15.89 million as at 31 December 2015 (31 December 2014: HK\$2.18 million). As at 31 December 2015, the Group had total bank borrowings of approximately HK\$5.45 million (31 December 2014: HK\$5.96 million). All the bank borrowings contain a repayment on demand clause.

Gearing ratio

As at 31 December 2015, the Group's gearing ratio was 12.41% (31 December 2014: 18.48%), which is calculated based on the Group's total interest-bearing debt of approximately HK\$5.45 million (31 December 2014: HK\$5.96 million) and the Group's total equity of approximately HK\$43.92 million (31 December 2014: HK\$32.25 million).

Contingent liabilities

As at 31 December 2015, the Group had no material contingent liabilities (2014: Nil).

Charge of assets

As at 31 December 2015, the Group had pledged its bank deposits of approximately HK\$3.50 million (2014: 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 2015, the Group did not have any significant capital commitments (2014: Nil).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December 2015, 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.

The Company was listed on 30 April 2015. To the best knowledge of the Directors, the Company had complied with the code provisions in the CG Code throughout the period from 30 April 2015 (the Listing Date) to 31 December 2015.

SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA 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 SHINEWING (HK) CPA 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, 27 May 2016. A notice convening the AGM will be published and despatched to the shareholders of the Company in the manner required by the GEM Listing Rules in due course.

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

Hong Kong, 30 March 2016

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

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