
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Jete Power Holdings Limited (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities in the Company.

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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)

- (1) PROPOSED SHARE SUBDIVISION;**
(2) PROPOSED PLACING OF UNLISTED WARRANTS
UNDER SPECIFIC MANDATE;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing Agent



Great Wall Securities Limited

A notice convening an extraordinary general meeting of the Company to be held on Thursday, 7 July 2016 at 10:30 a.m. at Factory Unit 13A, 9th Floor, Vanta Industrial Centre, Nos. 21-33 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong is set out on pages 26 to 28 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding the extraordinary general meeting. Completion and return of the proxy form shall not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting thereof should you so desire and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

17 June 2016

* For identification purposes only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET

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 the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the 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 the GEM.

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EXPECTED TIMETABLE

The expected timetable relating to the Share Subdivision and the associated trading arrangements is set out below:

Despatch of this circular in relation to the Share Subdivision
together with the EGM notice and proxy form Friday, 17 June 2016

Latest time for lodging the form of proxy for the EGM 10:30 a.m. on Tuesday,
5 July 2016

Expected date and time of the EGM 10:30 a.m. on Thursday,
7 July 2016

Publication of announcement on poll results of the EGM Thursday, 7 July 2016

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of Share Subdivision”.

Effective date of the Share Subdivision. Friday, 8 July 2016

First day of free exchange of Existing Share Certificates
for the New Share Certificates for the Subdivided Shares Friday, 8 July 2016

Dealings in the Subdivided Shares commence. 9:00 a.m. on Friday,
8 July 2016

Original counter for trading in existing Shares
in board lots of 20,000 shares temporarily closes 9:00 a.m. on Friday,
8 July 2016

Temporary counter for trading in board lots of 100,000
Subdivided Shares (in
form of Existing Share Certificates) opens 9:00 a.m. on Friday,
8 July 2016

Original counter for trading in Subdivided Shares
in board lots of 20,000 Subdivided Shares
(in the form of New Share Certificates) re-opens 9:00 a.m. on Friday,
22 July 2016

EXPECTED TIMETABLE

Parallel trading in Subdivided Shares (in the forms of Existing Share Certificates and New Share Certificates) commences 9:00 a.m. on Friday, 22 July 2016

Temporary counter for trading in board lots of 100,000 Subdivided Shares (in the form of Existing Share Certificates) closes close of business on Thursday, 11 August 2016

Parallel trading in Subdivided Shares (in the forms of Existing Share Certificates and New Share Certificates) ends. close of business on Thursday, 11 August 2016

Last day of free exchange of Existing Share Certificates for the Shares for New Share Certificates for the Subdivided Shares ends. Monday, 15 August 2016

All times and dates in this circular refer to Hong Kong local times and dates. Further announcement will be made by the Company for changes, if any, in the expected timetable for implementation of the Share Subdivision as well as the associated trading arrangements listed above.

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“Announcement”	the announcement of the Company dated 31 May 2016 in respect of, amongst others, the Share Subdivision and the Warrant Placing
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, a Sunday and a public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Jete Power Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Subdivision, the Warrant Placing and the transactions contemplated thereunder
“Existing Share Certificate(s)”	share certificate(s) in respect of the Share(s) of HK\$0.01 each prior to the Share Subdivision becoming effective
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries

DEFINITIONS

“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties which are not connected persons (as defined under the GEM Listing Rules) of the Company and are independent of the Company and its connected persons (as defined under the GEM Listing Rules)
“Last Trading Day”	31 May 2016, being the last trading day for the Shares immediately before the issue of the Announcement
“Latest Practicable Date”	14 June 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Long Stop Date”	29 July 2016 (or such other later date as the Company and the Placing Agent may agree in writing)
“New Share Certificate(s)”	new share certificate(s) to be issued following the Share Subdivision becoming effective
“Placing Agent”	Great Wall Securities Limited, the placing agent and a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) in Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) or subject to the Share Subdivision becoming effective, the holders of the Subdivided Share(s)
“Share Subdivision”	the proposed subdivision of every one (1) issued and unissued Share of HK\$0.01 each into five (5) Subdivided Shares of HK\$0.002 each

DEFINITIONS

“Specific Mandate”	the specific mandate to be granted to the Directors by the Shareholders at the EGM for the allotment and issue of the Warrant Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Rights”	the rights of the Warrantholders represented by the Warrants
“Subdivided Share(s)”	subdivided ordinary shares of HK\$0.002 each in the issued and unissued share capital of the Company upon the Share Subdivision becoming effective
“Takeovers Code”	the codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission
“Warrant(s)”	up to 700,000,000 non-listed warrants to be issued by the Company at the Warrant Placing Price, which entitle the holders thereof to subscribe up to HK\$252,000,000 for Warrant Shares at the Warrant Exercise Price at any time during a period of thirty six (36) months commencing from the date of issue of the Warrant
“Warrantholder(s)”	holder(s) of the Warrants
“Warrant Exercise Price”	an initial exercise price of HK\$0.36 per Warrant Share (subject to adjustment) at which holder(s) of the Warrants may subscribe for the Warrant Share(s)
“Warrant Places”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Warrants pursuant to the Warrant Placing Agreement
“Warrant Placing”	the placing, on a best effort basis, of up to 700,000,000 Warrants pursuant to the terms of the Warrant Placing Agreement

DEFINITIONS

“Warrant Placing Agreement”	the conditional placing agreement dated 31 May 2016 and entered into between the Company and the Placing Agent in relation to the Warrant Placing
“Warrant Placing Price”	HK\$0.02 per Warrant, being the issue price for each Warrant, payable in full on application under the Warrant Placing Agreement
“Warrant Shares”	up to 700,000,000 new Subdivided Shares to be allotted and issued upon exercise of the Subscription Rights attaching to the Warrants
“HK\$ and cents”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“%”	per cent.

The translation into Chinese language of this circular is for reference only. In case of any inconsistency, the English version shall prevail.

LETTER FROM THE BOARD

JETE POWER HOLDINGS LIMITED

鑄能控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8133)

Executive Directors:

Mr. Wong Thomas Wai Yuk
Mr. Choi Chiu Ming Jimmy

Independent non-executive Directors:

Ms. Leung Shuk Lan
Mr. Tang Yiu Wing
Mr. Wong Ka Shing

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Headquarter and principal place of
business in Hong Kong:*

Factory Unit 13A, 9th Floor
Vanta Industrial Centre
Nos. 21-33 Tai Lin Pai Road
Kwai Chung, New Territories
Hong Kong

17 June 2016

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED SHARE SUBDIVISION;
(2) PROPOSED PLACING OF UNLISTED WARRANTS
UNDER SPECIFIC MANDATE;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement in relation to the Board's proposal to, amongst others, (i) subdivide each of the existing issued and unissued Shares of HK\$0.01 each in the share capital of the Company into five (5) Subdivided Shares of HK\$0.002 each; and (ii) subject to and upon the Share Subdivision becoming effective, the conditional Warrant Placing.

The purpose of this circular is to provide you with information in relation to, among other things, details of (i) the Share Subdivision; (ii) the Warrant Placing and (iii) the notice of the EGM.

* For identification purposes only

LETTER FROM THE BOARD

PROPOSED SHARE SUBDIVISION

Basis of Share Subdivision

The Board proposes that each of the existing issued and unissued Shares will be subdivided into five (5) Subdivided Shares. The Share Subdivision will become effective upon the fulfillment of the condition set out under the section headed “Conditions of Share Subdivision” below. As at the Latest Practicable Date, the authorised share capital of the Company is HK\$10,000,000 divided into 1,000,000,000 Shares, of which 700,000,000 Shares are in issue and fully paid or credited as fully paid. There are no outstanding options, warrants, conversion rights or other similar rights giving rights to subscribe for any Shares as at the Latest Practicable Date.

Effect of Share Subdivision

Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$10,000,000 divided into 5,000,000,000 Subdivided Shares, of which 3,500,000,000 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares are purchased or issued by the Company prior to the Share Subdivision becoming effective.

The Company’s shares are currently traded in board lots of 20,000 Shares. Upon the Share Subdivision becoming effective, the board lot size will remain unchanged and in board lots of 20,000 Subdivided Shares.

The Share Subdivision is not expected to result in any odd lots other than those already exist. Upon the Share Subdivision becoming effective, the Subdivided Shares will rank pari passu with each other in all respects.

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Subdivision, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or result in any change in the rights of the Shareholders.

Conditions of Share Subdivision

The completion of the Share Subdivision is conditional upon: (a) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Subdivision; and (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares.

LETTER FROM THE BOARD

Assuming that all the conditions are fulfilled, the Share Subdivision will become effective on the next business day following the passing of the ordinary resolution as specified therein, which is expected to take place on Friday, 8 July 2016.

Exchange of share certificates

Upon the Share Subdivision becoming effective, the Shareholders may, during the business hours from 9:00 a.m. to 4:30 p.m. on any business day from Friday, 8 July 2016 to Monday, 15 August 2016 (both dates inclusive), submit their Existing Share Certificate(s) to the Company's branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for the New Share Certificate(s) free of charge. Thereafter, Existing Share Certificate(s) will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each New Share Certificate issued or each Existing Share Certificate submitted for cancellation, whichever the number of certificates issued or cancelled is higher.

It is expected that New Share Certificate(s) will be available for collection within 10 business days after the submission of the Existing Share Certificate(s) for exchange.

Existing Share Certificate(s) will continue to be good evidence of legal title and may be exchanged for New Share Certificate(s) at any time at the expense of the Shareholders. The New Share Certificate(s) will be blue in colour so as to be distinguished from the Existing Share Certificate(s) which are green in colour.

LISTING AND DEALINGS

An application has been made to the Listing Committee of the Stock Exchange in respect of the approval for the listing of, and permission to deal in the Subdivided Shares.

Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of dealings in the Subdivided Shares respectively on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

No part of the equity or debt securities of the Company is listed or dealt in or listing or permission to deal is being or proposed to be sought on other stock exchanges other than the Stock Exchange.

REASONS FOR AND BENEFITS OF SHARE SUBDIVISION

The Share Subdivision (when effective) will decrease the nominal value and increase the total number of shares of the Company in issue and correspondingly result in downward adjustment to the trading price of the shares of the Company so that the market value per board lot of shares of the Company can be reduced to appeal to more investors. The Board is of the view that the Share Subdivision may improve the trading liquidity of the Subdivided Shares and thereby would attract more investors and broaden its Shareholders' base. Accordingly, the Board considers that the implementation of the Share Subdivision is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE WARRANT PLACING AGREEMENT

Date

31 May 2016 (after trading hours)

Parties

Issuer: The Company

Placing Agent: Great Wall Securities Limited

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Warrant Placee(s)

Pursuant to the Warrant Placing Agreement, the Company has conditionally agreed to grant and the Placing Agent has agreed to procure, on a best effort basis, not less than six (6) Warrant Placees to subscribe for up to 700,000,000 Warrants, at the Warrant Placing Price of HK\$0.02 per Warrant. Each of the Warrant Placees to be procured by the Placing Agent and its ultimate beneficial owner(s) will be Independent Third Parties. As at the Latest Practicable Date, the Placing Agent has not yet identified any Warrant Placees.

LETTER FROM THE BOARD

Placing commission

The Placing Agent will charge the Company a placing commission equivalent to 2% of the aggregate Warrant Placing Price in respect of such number of Warrants successfully placed by the Placing Agent (subject to completion of the Warrant Placing) pursuant to the Warrant Placing Agreement plus any other out-of-pocket charges and expenses by the Placing Agent in relation to the Warrant Placing. The Warrant Placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing market rate. The Directors consider that the Warrant Placing commission is fair and reasonable based on the prevailing market rate.

Conditions of the Warrant Placing

Completion of the Warrant Placing Agreement is conditional on, among the other matters, the fulfillment of the following conditions on or before the Long Stop Date:

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Warrant Shares to be issued upon exercise of the Subscription Rights attached to the Warrants by the Warrantheolders, either unconditionally or subject to conditions to which neither the Placing Agent nor the Company may reasonably object and all other necessary waivers, consents and approvals as required under the GEM Listing Rules in relation to the Company with respect to the Warrant Placing Agreement and the transactions contemplated therein being obtained and/or complied with (including but not limited to (if required) the Listing Committee of the Stock Exchange having approved the issue of the Warrants either unconditionally or subject to conditions to which neither the Placing Agent nor the Company may reasonably object);
- (b) the Share Subdivision having become effective;
- (c) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Warrant Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (d) the passing of necessary resolution(s) by the Shareholders of the Company at the EGM approving the Warrant Placing Agreement and the transactions contemplated thereunder including the issue of the Warrants, and the allotment and issue of the Warrant Shares by the Company under the Specific Mandate.

LETTER FROM THE BOARD

In the event that the above conditions are not fulfilled by 5:00pm on the Long Stop Date, the Warrant Placing Agreement shall automatically cease and terminate and the parties shall be released from all obligations thereunder, save the liabilities for any antecedent breaches thereof.

Termination of the Warrant Placing

Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent's appointment shall terminate upon the earlier of (i) the completion of the Warrant Placing; (ii) the Long Stop Date if the conditions as set out in section headed "Conditions of the Warrant Placing" have not been satisfied (or waived as the case may be) and (iii) termination of the Warrant Placing by the Placing Agent in accordance with the terms and conditions of the Warrant Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of the Warrant Placing Agreement.

The Placing Agent reserves its right to terminate the arrangements set out in the Warrant Placing Agreement by notice in writing prior to 9:00 a.m. on the completion date of Warrant Placing, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a "force majeure event" refers to

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of Warrant Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the placing of the Warrants to potential investors or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Warrant Placing; or

LETTER FROM THE BOARD

- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Warrant Placing (such success being the placing of the Warrants to potential investors) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Warrant Placing.

If, at or prior to 9:00 a.m. on the completion date of the Warrant Placing:

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Warrant Placing Agreement; or
- (ii) any suspension in the trading of the Shares or the Subdivided Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of the announcements relating to the Warrant Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Warrant Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate, if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Warrant Placing.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Warrant Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Warrant Placing Agreement, save for any antecedent breaches.

LETTER FROM THE BOARD

The Warrant Placing Completion Date

Completion of the Warrant Placing is expected to take place on any date within the tenth Business Day on which all the conditions precedent to the Warrant Placing Agreement are fulfilled or such other date as the Company and the Placing Agent may agree in writing.

PRINCIPAL TERMS OF THE WARRANTS

Number of Warrants to be issued and Warrant Shares

As at the Latest Practicable Date, the Company has no outstanding warrant. A total of up to 700,000,000 Warrants are proposed to be issued. Upon full exercise of the Subscription Rights attaching to the Warrants, a total of up to 700,000,000 Warrant Shares (with an aggregate subscription price of HK\$252,000,000 (subject to adjustment)) will be issued, representing (i) approximately 20% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Warrant Shares upon full exercise of the Subscription Rights attaching to the Warrants assuming there being no other changes in the share capital of the Company.

Exercise period

The Subscription Rights attaching to the Warrant may be exercised at any time during a period of thirty six (36) months commencing from the date immediately after the date of issue of the Warrant.

Warrant Placing Price

The Warrant Placing Price is HK\$0.02 for each Warrant. The Warrant Placing Price is determined after arm's length negotiations between the Company and the Placing Agent with reference to the current market sentiment, the Group's financial position and the historical Share prices and liquidity of the Shares in the market. The Directors consider that the Warrant Placing Price is fair and reasonable and in the interests of the Shareholders and the Company as a whole.

LETTER FROM THE BOARD

Warrant Exercise Price

The initial Warrant Exercise Price is HK\$0.36 per Warrant Share, subject to adjustment as a result of the following events.

- (i) consolidation or sub-division of the Shares;
- (ii) capitalization issue of the Shares by the Company (other than in lieu of a cash dividend);
- (iii) capital distribution (as defined in the instrument creating the Warrants) made by the Company or grant of rights to acquisition of assets of the Group;
- (iv) an offer or grant by the Company to Shareholders of new Shares for subscription by way of rights or of options or warrants to subscribe for new Shares, at a price less than 90% of the market price (calculated in accordance with the terms of the Warrants);
- (v) an issue for cash of convertible securities by the Company, if the total effective consideration is less than 90% of the market price (calculated in accordance with the terms of the Warrants), or the terms of any such issue being altered so that the said total effective consideration is less than 90% of the market price (calculated in accordance with the terms of the Warrants);
- (vi) an issue for cash of Shares by the Company (other than pursuant to the share option scheme of the Company) at less than 90% of the market price (calculated in accordance with the terms of the Warrants); and
- (vii) a cancellation of any Shares or convertible securities which have been purchased by the Company (other than on the Stock Exchange) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the Warrant Exercise Price.

The above adjustments aim to ensure the holder(s) of Warrants have the same proportion of the equity capital upon the exercise of the Warrants as that to which that Warrant holder(s) were previously entitled, but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value (if any). Every adjustment to the Warrant Exercise Price shall be certified either by the auditors of the Company or an independent merchant bank or other financial institution selected by the Company.

LETTER FROM THE BOARD

Ranking of the Warrant Shares

The Warrant Shares, when fully paid and allotted, will rank pari passu in all respects with the then existing issued Subdivided Shares as at the date of allotment and issue of such Warrant Shares.

Exercise restriction

The exercise of Subscription Rights are subject to the following restriction:

- (i) the minimum number of Warrants to be exercised upon the Subscription Rights each time shall not be less than 1,000,000 Warrants;
- (ii) upon exercise of the Subscription Rights, the Warranholders and their respective associates, together with parties acting in concert (as defined in the Takeovers Code) with them, will not trigger a mandatory offer obligation under Rule 26 of the Takeovers Code;
- (iii) upon exercise of the Subscription Rights, the Warranholders and their respective associates will not be become a substantial shareholder of the Company as defined under the GEM Listing Rules;
- (iv) immediately prior to the exercise of the Subscription Rights, the Warranholders and their respective associates shall be Independent Third Parties; and
- (v) upon exercise of the Subscription Rights, the public float of the Company will not be unable to meet the relevant requirements under the GEM Listing Rules.

Transferability

Subject to compliance with all applicable laws and regulations and such other requirements that the Stock Exchange may impose from time to time, the Warrants are transferable in integral multiples of 1,000,000 Warrants (or if at the time of transfer, the outstanding number of Warrants are less than 1,000,000 Warrants, the whole but not part of the outstanding Warrants) provided that any transfer to connected persons (as defined under the GEM Listing Rules) of the Company and their associate shall be subject to compliance with all applicable laws and regulations and such other requirements that the Stock Exchange may impose from time to time. Apart from the aforesaid, there are no restrictions on the transfer of the Warrants from the Warrant Placees to other parties.

LETTER FROM THE BOARD

Voting rights for the holders of the Warrants

The holder of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being holders of the Warrants. The holder of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

Rights of the holders of the Warrants on the liquidation of the Company

If, however, at any time prior to the expiration of the Warrants and prior to their exercise, a dissolution, liquidation, or winding up of the Company shall be proposed, the Company shall give notice in writing of such event to the holders of the Warrants in accordance with conditions of the Warrants.

Listing

No application will be made for a listing of the Warrants on the Stock Exchange or any other stock exchanges.

WARRANT EXERCISE PRICE AND WARRANT PLACING PRICE

The initial Warrant Exercise Price of HK\$0.36 per Warrant Share represents:

- (i) a premium of approximately 9.09% over the adjusted closing price of HK\$0.33 per Subdivided Share, based on the closing price of HK\$1.65 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Subdivision,
- (ii) a premium of approximately 9.09% over the adjusted average closing prices per Subdivided Share of approximately HK\$0.33, based on the average closing price of approximately HK\$1.65 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to (but excluding) the Last Trading Day and adjusted for the effect of the Share Subdivision, and
- (iii) a discount of approximately 4.76% over the adjusted closing price of HK\$0.378 per Subdivided Share, based on the closing price of HK\$1.89 per Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Share Subdivision.

LETTER FROM THE BOARD

The aggregate of the Warrant Placing Price of HK\$0.02 per Warrant and the Warrant Exercise Price of HK\$0.36 per Warrant Share, i.e. HK\$0.38, represents:

- (i) a premium of approximately 15.15% over the adjusted closing price of HK\$0.33 per Subdivided Share, based on the closing price of HK\$1.65 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Subdivision,
- (ii) a premium of approximately 15.15% over the adjusted average closing prices per Subdivided Share of approximately HK\$0.33, based on the average closing price of approximately HK\$1.65 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to (but excluding) the Last Trading Day,
- (iii) a premium of approximately 0.53% over the adjusted closing price of HK\$0.378 per Subdivided Share, based on the closing price of HK\$1.89 per Share as quoted on the Stock Exchange on the Latest Practicable Date and adjusted for the effect of the Share Subdivision; and
- (iv) a premium of approximately 2940% over the latest published audited net asset value per Subdivided Share of the Company of approximately HK\$0.0125 as at 31 December 2015.

The Warrant Exercise Price is determined based on negotiations on arm's length basis between the Company and the Placing Agent with reference to the following factors:

- (i) the Group's financial position

The Group recorded an audited loss of approximately HK\$12,459,000 for the year ended 31 December 2015 and the net assets value of the Group as at 31 December 2015 was approximately HK\$43,915,000, which represents a net asset value per Subdivided Share of approximately HK\$0.0125. The net asset value per Subdivided Share of approximately HK\$0.0125 represents a substantial discount to the recent market price per Subdivided Share and the loss making position of the Group would cause hesitation for potential investors to invest in the Company.

LETTER FROM THE BOARD

- (ii) the historical Share prices and liquidity of the Shares in the market

The table below shows the highest, lowest and average closing prices of the Shares in the past three months immediately preceding the date of entering into the Warrant Placing Agreement:

	Date	Share Price before Subdivision HK\$	Adjusted price per Subdivided Share HK\$
Highest	2 March 2016	1.88	0.376
Lowest	17 May 2016	1.37	0.274
Average	–	1.65	0.330

The table below shows the highest, lowest and average trading volume of the Shares in the past three months immediately preceding the date of entering into the Warrant Placing Agreement:

	Date	Number of Shares traded
Highest	27 May 2016	4,360,000
Lowest	Various dates including 27 April 2016 to 16 May 2016	0
Average	–	365,538

Such historical Share Prices and liquidity of the Shares indicate that the theoretical value as determined using the valuation model like Black-Scholes Model, which assumes the existence of an active market for the Shares and the Warrants, may not be appropriate for this transaction.

- (iii) the current market sentiment

It is noted that the current market sentiment is not positive and the potential investors are sluggish in new investment. The uncertainties in the future and local economy development cause investors to become more conservative and are unwilling to invest substantial sum in the Shares. The Warrant Placing will allow those potential investors to have an opportunity to observe the performance of the Group before the exercise of the Subscription Rights attaching to the Warrants.

LETTER FROM THE BOARD

The Company did not take into account any valuation of the Warrants in determining the Warrant Placing Price and the Warrant Exercise Price due to the fact that the theoretical value is calculated by a formula taking into accounts certain factors, but it may not take into account the actual circumstances, the Group's financial position, the market sentiment and the key terms of the Warrants such as the adjustment mechanism, non-listed nature and restrictions on the exercise of the Warrants to prohibit the holders thereof to be a substantial shareholder. Such theoretical value may not be an appropriate yardstick for the transaction and can vary on a daily basis as a result of share price fluctuation and different valuation models may generate different theoretical values. In additions, it is consistent with the Directors' observation that using the theoretical value as pricing benchmark is not common in Hong Kong capital market for the issuance of the unlisted warrant. As such, given that the Warrant Placing Price and the Warrant Exercise Price were arrived at after arm's length negotiations, the Directors consider that the above factors are more appropriate for the determination of the Warrant Placing Price and the Warrant Exercise Price.

In view of the above, the Board considers that the terms of the Warrant Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR THE WARRANT PLACING

The Company is an investment holding company. The Group is principally engaged in the manufacturing of metal casting parts and components in the PRC.

The Board considers that the Warrant Placing is a good avenue to raise additional funds for the Group because upon subscription of the Warrant Shares, further capital will be raised while broadening the shareholder base of the Company. The Warrants are not interest bearing and the Warrant Placing will not result in any immediate dilution effect on the shareholding of the existing Shareholders.

In the event that the Subscription Rights is exercised in full or in part, the Warrantholders will become the shareholders of the Company, which will broaden and strengthen the shareholders base of the Company. Further, given the Warrants are transferable in whole or in part, the number of the Warrantholders may expand. In the event that more Warrantholders exercise the Subscription Rights, the shareholders base of the Company will be further broadened.

LETTER FROM THE BOARD

The Company has also considered other alternative fund raising methods including issuing new Shares, debt financing and bank borrowings. Placing of new Shares has the likely disadvantage that the placement Shares may have to be set at deep discount to share price for the placing agent or placees, in light of the current market sentiment while issuing new Shares at premium to market prices is not realistic. On the other hand, the Warrant Placing will allow those potential investors to have an opportunity to observe the performance of the Group before the exercise of the Subscription Rights attaching to the Warrants. In addition, the interest burden resulted from the debt financing and bank borrowings may not be beneficial to the Company. Furthermore, rights issue and open offer require approval from relevant authorities and involve, among other things, the preparation and the issue of a prospectus, and the printing and handling of application forms and, thereby are relatively time consuming and costly.

The Company has also considered the possibility of listing of the Warrants. However, the application for listing of the Warrants would incur additional costs which will further reduce the net proceeds from the Warrant Placing. In addition, the application for listing of the Warrants could delay the whole fund raising process. Further, the Company considers there will be uncertainty whether or not a placing of warrants can meet the requirement on adequate spread of holders of such warrants pursuant to Rule 11.23(3)(b). Therefore, the Directors are of the view that the issue of unlisted Warrants would be a more appropriate option.

The Placing Agent will select appropriate Warrant Placee(s) and the Company will receive net proceeds from the Warrant Placing at the time of issue of the Warrants. Also, given that the Warrant Exercise Price shall be paid upon exercise of the Subscription Rights attaching to the Warrants, the Company is of the view that it is not necessary for the Company to conduct due diligence to ensure that the particular Warrant Placee(s) would have the financial ability to settle the Warrant Exercise Price upon exercise of the Subscription Rights and such due diligence would be impractical as well given the Warrants are transferable.

In light of the reasons stated above, the Directors are of the view that the issue of Warrants is the most appropriate way of fund raising at this stage as the Warrants are placed at a relatively reasonable cost to the Company and that it is non-interest bearing and will not result in any immediate dilution effect on the shareholding of the existing Shareholders.

USE OF PROCEEDS

Assuming the maximum numbers of the Warrants are placed at the Warrant Placing Price, the gross proceeds and net proceeds from the issue of the Warrants will be approximately HK\$14,000,000 (with an issue price of approximately HK\$0.02 per Warrant) and HK\$13,200,000 respectively. The net proceeds will be used for the general working capital of the Group.

LETTER FROM THE BOARD

Assuming the full exercise of the Subscription Rights attaching to the maximum number of Warrants at the initial Warrant Exercise Price, it is expected up to an additional of approximately HK\$252,000,000 (with an exercise price of approximately HK\$0.36 per Warrant Share) will be raised.

The aggregate net proceeds from the Warrant Placing and the allotment and issue of the Warrant Shares of up to approximately HK\$265,200,000 will be used for general working capital, and future business development and potential acquisitions (if any) of the Group. Since the proceeds that may be raised from the issue of Warrants will depend on the exercise of Subscription Rights which is out of control of the Company, the proceeds that will actually be raised therefrom may not match with the Company's capital requirements but will serve as additional source of funds for such purposes.

The Company currently does not have immediate additional capital requirement for its general working capital and does not have any concrete future business expansion plan that needs specific capital requirement. However, the Company will review its business plan from time to time and the proceeds that may be raised from the Warrant Placing would strengthen the Company's financial position for its future business development. The Company shall not rule out the possibility of alternative fund raising methods should the subscription of the Warrant Shares not match the future capital needs.

As at the Latest Practicable Date, the Company does not have any concrete plan for any contemplated acquisitions, disposals or other matters that may have a material impact on the Company which is necessary for the Company's Shareholders and the public to appraise the position of the Company during the exercise period of the Warrants (i.e. 3 years commencing from the date of issue of the Warrants). However, the Company will review its business plan from time to time and may consider potential business expansion and investment opportunities when the opportunities arise.

As at the Latest Practicable Date, other than the Warrant Placing, the Company has not entered, or contemplated to enter, into any other arrangements, agreements or understanding (whether formal or informal and whether express or implied) with the Warrant Placee(s) (if any) and/or the Placing Agent.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there being no other changes in the share capital of the Company, the changes of the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon exercise of the Subscription Rights attaching to the Warrants in full are as follows:

Shareholder	(i) As at the Latest Practicable Date		(ii) Upon Share Subdivision has become effective		(iii) Immediately upon exercise of the Subscription Rights attached to the Warrants in full	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Subdivided Shares</i>	<i>Approximate %</i>	<i>Number of Subdivided Shares</i>	<i>Approximate %</i>
Pure Goal Holdings Limited (<i>Note 1</i>)	255,000,000	36.43	1,275,000,000	36.43	1,275,000,000	30.36
Bravo Luck Limited (<i>Note 2</i>)	36,300,000	5.18	181,500,000	5.18	181,500,000	4.32
Well Gainer Limited (<i>Note 3</i>)	86,700,000	12.39	433,500,000	12.39	433,500,000	10.32
Public:						
Other Shareholders	322,000,000	46.00	1,610,000,000	46.00	1,610,000,000	38.33
The Warrant Placees	—	—	—	—	700,000,000	16.67
Total	700,000,000	100.00	3,500,000,000	100.00	4,200,000,000	100.00

Notes:

1. Pure Goal Holdings Limited is beneficially and wholly owned by Mr. Wong Thomas Wai Yuk, an executive Director.
2. Bravo Luck Limited is beneficially and wholly owned by Mr. Choi Chiu Ming Jimmy, an executive Director.
3. Well Gainer Limited is beneficially and wholly owned by Mr. Chung Tsai Kin.

APPLICATION FOR LISTING

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the Subscription Rights attaching to the Warrants.

LETTER FROM THE BOARD

SPECIFIC MANDATE TO ISSUE THE WARRANT SHARES

The Company will seek the Specific Mandate from the Shareholders for the allotment and issue of the Warrant Shares. In this regard, the EGM will be convened and held to, amongst others, pass the necessary resolutions to approve, ratify and confirm the Warrant Placing Agreement and the transactions contemplated thereunder.

EGM

A notice convening the EGM to be held on Thursday, 7 July 2016 at 10:30 a.m. at Factory Unit 13A, 9th Floor, Vanta Industrial Centre, Nos. 21-33 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong for the purpose of considering, and if thought fit, approving the Share Subdivision and the Warrant Placing and the transactions contemplated thereunder are set out on pages 26 to 28 of this circular.

The resolution put to vote at the EGM will be decided by way of poll. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, no Shareholders are required to abstain from voting on the resolutions relating to the above at the EGM.

A proxy form for use at the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, you are requested to complete and return the proxy form to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the EGM or any adjournment thereof (as the case may be) should you so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors are of the opinion that the Share Subdivision, the Warrants Placing, the issue of the Warrants and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Warrant Shares upon exercise of the Subscription Rights attaching to the Warrants) are in the interests of the Company and the Shareholders as a whole, and accordingly the Board recommends you to vote in favour of the ordinary resolution to be proposed at the EGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

WARNING NOTICE

Completion of the Warrant Placing is subject to, among other things, fulfillment of the conditions precedent in the Warrant Placing Agreement. As the Warrant Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or Subdivided Shares.

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

NOTICE OF EGM

JETE POWER HOLDINGS LIMITED

鑄能控股有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8133)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Jete Power Holdings Limited (the “**Company**”) will be held on Thursday, 7 July 2016 at 10:30 a.m. at Factory Unit 13A, 9th Floor, Vanta Industrial Centre, Nos. 21-33 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong for considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the Subdivided Shares (as defined below), the Share Subdivision (as defined below) be approved in the following manner:
 - (a) each of the existing issued and unissued shares of the Company of HK\$0.01 each (the “**Shares**”) in the share capital of the Company be subdivided (the “**Share Subdivision**”) into five (5) subdivided shares of HK\$0.002 each (the “**Subdivided Shares**”) and the Share Subdivision shall take effect on the next business day immediately following the day on which this resolution is passed;
 - (b) all of the Subdivided Shares will rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of shares of the Company contained in the memorandum and articles of association of the Company; and
 - (c) any one of the directors or the company secretary of the Company be and is hereby authorised to do all such acts, deed and things and to effect all necessary actions as he or she may consider necessary or desirable in order to effect, implement and complete any and all of the matters set out in this resolution.”

* *For identification purposes only*

NOTICE OF EGM

2. “**THAT** subject to the passing of resolution (1) above:
- (a) warrant placing agreement dated 31 May 2016 (the “**Warrant Placing Agreement**”) entered into between the Company as issuer and Great Wall Securities Limited as placing agent (the “**Placing Agent**”), pursuant to which the Placing Agent has agreed to place, on a best effort basis, subject to the fulfilment of certain terms and conditions as set out in the Warrant Placing Agreement, to not less than six placees, to subscribe for up to a maximum of 700,000,000 warrants (the “**Warrants**”) at the issue price of HK\$0.02 per Warrant (a copy of the Warrant Placing Agreement and the draft instrument have been marked “**A**” and “**B**” respectively and initialed by the chairman of the meeting for identification purpose) be and are hereby approved, ratified and confirmed;
 - (b) the creation and issue of the Warrants by the Company in accordance with the terms and conditions of the Warrant Placing Agreement be and are hereby approved, ratified and confirmed;
 - (c) the directors of the Company be and are hereby granted a specific mandate for the allotment and issue of up to a maximum number of 700,000,000 new Subdivided Shares of HK\$0.002 each in the share capital of the Company (the “**Warrant Share(s)**”) credited as fully paid at the initial subscription price of HK\$0.36 per Warrant Share (subject to adjustment and the terms and conditions as set out in the draft instrument), which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants; and
 - (d) any one director or the company secretary of the Company be and is hereby authorised to do all such acts and things (including, without limitation, signing, executing (under hand or under seal), perfecting and delivery of all agreements, documents and instruments) which are in his opinion necessary, appropriate, desirable or expedient to implement or to give effect to the terms of the Placing Agreement and the transactions contemplated thereunder and all other matters incidental thereto or in connection therewith and to agree to and make such variation, amendment and waiver of any of the matters relating thereto or in connection therewith.”

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

Hong Kong, 17 June 2016

NOTICE OF EGM

As at the date of this notice, the Company has (i) two executive Directors, namely Mr. Wong Thomas Wai Yuk and Mr. Choi Chiu Ming Jimmy; and (ii) three independent non-executive Directors, namely Ms. Leung Shuk Lan, Mr. Tang Yiu Wing and Mr. Wong Ka Shing.

Notes:

1. To be valid, the instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney authorised in writing or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member holding two or more shares of the Company may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or the adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. A form of proxy for use by shareholders at the Meeting is enclosed.