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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)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION

This announcement is made by Jete Power Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities (the “**GEM Listing Rules**”) on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 3 February 2017 (after trading hours), the Company, as potential purchaser, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with a potential vendor (the “**Potential Vendor**”). Pursuant to the MOU, the Company intends to acquire, and the Potential Vendor intend to dispose of, part of the issued share capital in a company (the “**Target Company**”, together with its subsidiaries “**Target Group**”) (the “**Proposed Acquisition**”). As at the date of the MOU, the Potential Vendor hold the entire issued share capital of the Target Company. The Target Group is principally engaged in the development of the distributed power generation projects and its related products in PRC.

* *For identification purposes only*

Principal Terms of the MOU

Date

3 February 2017 (after trading hours).

Parties

- (i) The Company; and
- (ii) the Potential Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Potential Vendor and their ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

Consideration

The Company has agreed to deposit RMB1,000,000 in cash as a refundable earnest money for the Proposed Acquisition (the "**Earnest Money**") with a firm of solicitors, as designated by the Potential Vendor, within seven business days upon the execution of the MOU. Upon completion of the Proposed Acquisition, the Earnest Money will be deemed as payment in part of the consideration to be agreed upon in the Formal Agreement (as defined below). In the event that the Formal Agreement (as defined below) cannot be reached upon the expiry of the Exclusivity Period (as defined below), the Earnest Money will be returned to the Company within seven business days upon request by the Company.

The consideration for the Proposed Acquisition and the manner of payment shall be further negotiated between the Company and the Potential Vendor and be determined in the Formal Agreement (as defined below).

Due diligence review

Pursuant to the MOU, the Company may conduct due diligence review on, including but without limitation, the assets, liabilities, business, operations and subsisting status of the Target Group upon signing of the MOU. The Potential Vendor shall use their best endeavours to procure the Target Group and its agent to provide such assistance and information as is necessary for the Company to complete its due diligence review on the Target Group.

Exclusivity

During a 60-day period after the date of execution of the MOU (or such other date as agreed between the Company and the Potential Vendor in writing) (the “**Exclusivity Period**”), the Company shall have exclusive right to negotiate with the Potential Vendor in relation to the terms of the Proposed Acquisition. During the Exclusivity Period, the Potential Vendor shall not directly or indirectly negotiate or agree with any other party with respect to the disposal of the Target Group or any of its businesses.

Formal Agreement

The Company and the Potential Vendor shall use their best endeavours to procure a legally binding formal agreement in relation to the Proposed Acquisition (“**Formal Agreement**”) within the Exclusivity Period. The Company has the right to nominate one of its subsidiaries as the purchaser to enter into the Formal Agreement.

Termination

The MOU will be terminated at the earlier of:

- (i) the expiry of the Exclusivity Period; or
- (ii) the date of execution of the Formal Agreement.

Binding effect

Save for the provisions relating to the Earnest Money, due diligence review, exclusivity, confidentiality, termination, notices, binding effect, governing law and jurisdiction, the MOU does not constitute a legally binding agreement on the parties to the MOU.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

In order to maximise return to the Company and the shareholders of the Company in the long run, the Directors consider that it is in the interest of the Company to enter into the MOU to explore the possibility of diversification of the business of the Group. The Proposed Acquisition, should it materialise, will enhance the corporate development of the Group which will be in the best interests of the Company and its shareholders as a whole.

GENERAL

As at the date of this announcement, the terms and conditions of the Proposed Acquisition are still being negotiated and no legally binding agreement has been entered into. The Proposed Acquisition, if materialised, may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

As the Proposed Acquisition may or may not proceed, Shareholders and investors are reminded to exercise caution when dealing in the Shares.

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

Hong Kong, 3 February 2017

As at the date of this announcement, the Company has (i) two executive Directors, namely Mr. Choi Chiu Ming Jimmy and Mr. Johnny Huang; and (ii) three independent non-executive Directors, namely 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.