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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)

DISCLOSEABLE TRANSACTION: DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

On 6 October 2017 (after trading hours of the Stock Exchange), the Company entered into the Disposal Agreement with the Purchaser in relation to the Disposal, pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase the Sale Share, representing the entire equity interest in the Target Company and the Sale Loan owed by the Target Company at a total Disposal Consideration of HK\$11,000,000.

Immediately after Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Group will not be consolidated into the Company's financial statements.

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are above 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

* *For identification purpose only.*

The Board wishes to announce that after trading hours on 6 October 2017, the Company and the Purchaser entered into the Disposal Agreement in respect of the Disposal.

The principal terms of the Disposal Agreement are set out below:

THE DISPOSAL AGREEMENT

Date: 6 October 2017

- Parties:
- (i) Purchaser: An individual who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party.
 - (ii) Vendor: The Company who currently owns 100% direct equity interests in the Target Company.

Assets to be disposed of

Pursuant to the Disposal Agreement, the Purchaser agreed to purchase and the Company agreed to sell:

- (a) the Sale Share, representing the entire issued share capital of the Target Company, free from all encumbrances and together with all rights and benefits attaching thereto at any time on or after the date of Completion; and
- (b) the Sale Loan, being all the obligations, liabilities and debts owing or incurred by the Target Company to the Company (whether actual, contingent or deferred) at the Completion Date. As at the date of this announcement, the Target Company was indebted to the Company in the amount of approximately HK\$10,000,000.

Consideration

The Disposal Consideration payable by the Purchaser for the Sale Share and the Sale Loan is HK\$11,000,000, which will be settled by the Purchaser to the Company in cash in the following manner:

- (a) as to HK\$1,100,000 upon signing of the Disposal Agreement (the "Completion");
- (b) as to HK\$4,950,000 within one month after Completion; and
- (c) as to the remaining balance of HK\$4,950,000 within two months after Completion.

The Disposal Consideration was arrived at after arm's length negotiations between the parties to the Disposal Agreement after taking into consideration of various factors, including (i) the future prospect of the business of the Target Group and (ii) the Sale Loan in the amount of HK\$10,000,000.

The Directors consider that the terms and conditions of the Disposal Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Completion

Completion took place simultaneously upon signing of the Disposal Agreement. Immediately after Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Group will not be consolidated into the Company's financial statements.

INFORMATION ON THE TARGET GROUP

Immediately before Completion, the equity interest in the Target Company is wholly owned by the Company. The Target Company is incorporated on 9 August 2016 and principally engaged in investment holding. The principal investment of the Target Company is 39% indirect equity interest in Novel Sino, the holding company of Dongtai Company, which is principally engaged in the manufacturing of CIGS thin film solar panels and photovoltaic energy generation business in the PRC. Since its incorporation, the Target Group, Novel Sino and Dongtai Company have not generated any revenue.

Set out below is a summary of the key financial data of the Target Group based on the unaudited management accounts of the Target Group for the period from 9 August 2016 (date of incorporation of the Target Company) to 31 December 2016 which has been prepared in accordance with the generally accepted accounting principles in Hong Kong:

Financial Information

	Period from 9 August 2016 (date of incorporation) to 31 December 2016 (unaudited)
Loss before tax for the period	HK\$220,000
Loss after tax for the period	HK\$220,000

The unaudited net liabilities of the Target Group amounted to approximately HK\$433,000 as at 30 June 2017.

REASONS FOR AND BENEFITS OF THE DISPOSAL

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

Given that the development of Dongtai Company has not progressed at a pace as expected, the Directors are of the view that the Disposal represents a good opportunity for the Company to realise its return from the investment in the Target Group at a reasonable price and thereby utilise the net proceeds of the Disposal for financing other future potential investment opportunities and/or general working capital of the Group.

The terms of the Disposal Agreement were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the Disposal Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

After taking into account the Disposal Consideration, net carrying amount of the assets and liabilities of the Target Group and the amount of the Sale Loan as at the date of the Disposal Agreement, the related transaction costs, it is estimated that a gain of approximately HK\$1,400,000 will be recorded. The Directors do not anticipate that the Completion of the Disposal will have a significant effect on the business and performance of the Group.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements but exempted from Shareholders' approval under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	board of the Directors
“BVI”	the British Virgin Islands
“Company”	Jete Power Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of 100% equity interest in the Target Company and the Sale Loan under the Disposal Agreement
“Disposal Agreement”	the Disposal Agreement dated 6 October 2017 and entered into between the Company and Purchaser in relation to the Disposal
“Disposal Consideration”	the consideration of HK\$11,000,000 payable by the Purchaser to the Company pursuant to the Disposal Agreement
“Dongtai Company”	冠美旭(東台)能源科技有限公司# (transliterated as Guanmeixu Dongtai Energy Technology Company Limited), a company established in the PRC, which is wholly and beneficially owned by Novel Sino
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not Connected persons of the Company and are third parties independent of the Company and its Connected persons in accordance with the GEM Listing Rules
“Novel Sino”	Novel Sino Group Holdings Limited, a company incorporated in the BVI which is 39% owned by Target Group
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	an individual who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party
“Sale Loan”	shareholder’s loan in the aggregate amount of HK\$10,000,000 extended by the Company to the Target Company which will be assigned to the Purchaser
“Sale Share”	1 share of US\$1.00 each in the share capital of the Target Company, representing the entire issued share capital of the Target Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Company”	Lucky Power Resources Limited, an investment holding company incorporated in the British Virgin Island with limited liability, which is wholly-owned by the Company as at the date of this announcement before the Completion

“Target Group”	the Target Company and its subsidiary
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 6 October 2017

The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

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 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.