

JETE POWER HOLDINGS LIMITED

鑄能控股有限公司*

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8133

2020

Third Quarterly Report

** For identification purpose only*

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on 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 GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, 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 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 report 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 report misleading.



HIGHLIGHTS

- The Group recorded a revenue of approximately HK\$70.02 million for the nine months ended 30 September 2020 (nine months ended 30 September 2019: approximately HK\$44.92 million).
- Loss attributable to the owners of the Company for the nine months ended 30 September 2020 amounted to approximately HK\$6.97 million (nine months ended 30 September 2019: loss of approximately HK\$7.36 million).
- The Board does not recommend the payment of any dividend for the nine months ended 30 September 2020.

FINANCIAL RESULTS

The board of directors (the "Board") of Jete Power Holdings Limited (the "Company") is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (the "Group") for the three months and nine months ended 30 September 2020 together with the comparative unaudited figures for the corresponding period in 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2020

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	3	24,325	11,235	70,021	44,916
Cost of revenue		(18,205)	(7,986)	(51,512)	(34,439)
Gross profit		6,120	3,249	18,509	10,477
Gain on disposal of a subsidiary		—	—	1,015	—
Other income		3,172	2	4,729	152
Selling and distribution expenses		(1,702)	(852)	(4,460)	(3,184)
Administrative expenses		(8,718)	(5,273)	(26,951)	(13,795)
Finance costs		(193)	(190)	(655)	(583)
Loss before tax		(1,321)	(3,064)	(7,813)	(6,933)
Income tax expense	4	—	(161)	—	(429)
Loss for the period		(1,321)	(3,225)	(7,813)	(7,362)
Other comprehensive income/(loss) for the period					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Exchange differences arising on translation of foreign operation		496	(708)	141	(1,256)
Total comprehensive loss for the period		(825)	(3,933)	(7,672)	(8,618)
(Loss)/profit for the period attributable to:					
Owners of the Company		(1,341)	(3,225)	(6,969)	(7,362)
Non-controlling interests		20	—	(844)	—
		(1,321)	(3,225)	(7,813)	(7,362)
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(845)	(3,933)	(6,828)	(8,618)
Non-controlling interests		20	—	(844)	—
		(825)	(3,933)	(7,672)	(8,618)
Basic and diluted loss per share	6	HK(0.03) cents	HK(0.09) cents	HK(0.17) cents	HK(0.21) cents

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2020

	Attributable to owners of the Company							Sub- total	Non- Controlling interest	Total
	Share capital	Share premium	Exchange reserve	Capital reserve	Warrant reserve	Other reserve	Accumulated losses			
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited) (Note (a))	HK\$'000 (Unaudited) (Note (b))	HK\$'000 (Unaudited) (Note (c))	HK\$'000 (Unaudited)			
Balance at 1 January 2020	7,000	18,418	1,991	(7,045)	—	27,650	(20,274)	27,740	—	27,740
Loss for the period	—	—	—	—	—	—	(6,969)	(6,969)	(844)	(7,813)
Exchange difference arising on translation of foreign operation	—	—	141	—	—	—	—	141	—	141
Total comprehensive (loss)/income for the period	—	—	141	—	—	—	(6,969)	(6,828)	(844)	(7,672)
Issue of new shares by way of placing, net of expenses (Note (d))	1,320	16,698	—	—	—	—	—	18,018	—	18,018
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	(776)	(776)
Balance as at 30 September 2020	8,320	35,116	2,132	(7,045)	—	27,650	(27,243)	38,930	(1,620)	37,310
Balance at 1 January 2019	7,000	18,418	2,868	(7,045)	13,720	27,650	(23,507)	39,104	—	39,104
Loss for the period	—	—	—	—	—	—	(7,362)	(7,362)	—	(7,362)
Exchange difference arising on translation of foreign operation	—	—	(1,256)	—	—	—	—	(1,256)	—	(1,256)
Total comprehensive loss for the period	—	—	(1,256)	—	—	—	(7,362)	(8,618)	—	(8,618)
Lapse of unlisted warrants	—	—	—	—	(13,720)	—	13,720	—	—	—
Balance at 30 September 2019	7,000	18,418	1,612	(7,045)	—	27,650	(17,149)	30,486	—	30,486

- Note (a) Capital reserve of the Group represents the difference between the nominal value of the 47% issued capital of a subsidiary, G. Force (Hong Kong) Limited, held by Mr. Wong Thomas Wai Yuk, acquired pursuant to the group restructuring in year 2012 and the consideration for acquiring 47% of the issued capital of the subsidiary from Mr. Wong Thomas Wai Yuk.
- Note (b) Warrant reserve represents the net proceeds received from the issue of unlisted warrants of the Company. This reserve will be transferred to the share capital and the share premium account upon exercise of the unlisted warrants, where the unlisted warrants remain unexercised at the expiry date, the amount recognised in the warrant reserve will be released to the accumulated losses. The unlisted warrants were expired on 7 August 2019 and the warrant reserve was credited to accumulated losses.
- Note (c) Other reserve represented the difference between the nominal amount of the share capital and share premium of XETron Group Limited and the nominal amount of the share capital issued by the Company pursuant to a group reorganisation.
- Note (d) Pursuant to the placing agreement entered into between the Company and Topper Dragon Securities Limited, an independent third party, on 9 September 2019, the Company issued, on 6 January 2020, an aggregate of 660,000,000 new shares at a price of HK\$0.028 per placing share to not less than six places who were independent of, and not connected to the Group. The gross proceeds from the said placement amounted to approximately HK\$18,480,000 and the related issue expense was approximately HK\$462,000.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 24 February 2014, as an exempted company with limited liability under the Companies Law (as Revised) of the Cayman Islands. The Company's shares have been listed on the GEM of the Stock Exchange since 30 April 2015 (the "Listing").

The unaudited condensed consolidated financial results of the Group for the nine months ended 30 September 2020 (the "Consolidated Financial Results") are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

The Consolidated Financial Results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the GEM Listing Rules. The Consolidated Financial Results have been prepared under the historical cost convention.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these Consolidated Financial Results are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 December 2019, except for the adoption of the new and revised HKFRSs.

In the current period, the Group has adopted a number of new and revised HKFRSs, amendments to Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") (hereinafter collectively referred to as "new and revised HKFRSs") issued by the HKICPA that are relevant to the Group and effective for accounting periods beginning on or after 1 January 2020. The adoption of other new and revised HKFRSs has had no material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the Consolidated Financial Results.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing their impact on the Group's results and financial position.

The preparation of the Consolidated Financial Results in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Consolidated Financial Results should be read in conjunction with the Group's audited consolidated financial statements and notes thereto for the year ended 31 December 2019.

3. REVENUE

Revenue represents (i) the amounts received and receivable from cast metal products sold in the normal course of business, net of cash discount and sales related taxes; (ii) the revenue arising from concerts and events organization; and (iii) the income received and receivable from provision of integrated commercial and financial printing services and financial printing services on IPO projects.

An analysis of the Group's revenue is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Sales of cast metal products	9,796	11,166	32,027	42,122
Concerts and events income	—	69	309	2,794
Financial printing services income	14,529	—	37,685	—
	24,325	11,235	70,021	44,916

4. INCOME TAX EXPENSE

The amount of income tax charged to the profit or loss represents:

	Three months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Current tax:				
Hong Kong profits tax	—	161	—	429
PRC Enterprise Income Tax ("EIT")	—	—	—	—
	—	161	—	429

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislations, interpretations and practices in respect thereof.

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the "Ordinance"). Under the two-tiered profits tax rate regime, the first HK\$2,000,000 of assessable profits of a qualifying corporation, which only one qualifying corporation within the Group is selected, is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The Ordinance is effective from the year of assessment 2018-2019. For the nine months ended 30 September 2019, Hong Kong Profits Tax was calculated at the above basis. No provision for Hong Kong Profits Tax has been made for the nine months ended 30 September 2020 as the Group did not have assessable profits subject to HK Profits Tax during the period.

The subsidiary of the Group established in the People's Republic of China ("PRC") is subject to PRC Enterprise Income Tax ("EIT"). EIT has been provided at the rate of 25% (nine months ended 30 September 2019: 25%) on the estimated assessable profits for the nine months ended 30 September 2020.

5. DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2020 (nine months ended 30 September 2019: Nil).

6. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares deemed to be in issue during the nine months ended 30 September 2020 and 2019.

	Three months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Loss attributable to the owners of the Company (HK\$'000)	(1,341)	(3,225)	(6,969)	(7,362)
Weighted average number of ordinary shares in issue (thousands)	4,160,000	3,500,000	4,145,547	3,500,000
Basic and diluted loss per share (HK cents per share)	(0.03)	(0.09)	(0.17)	(0.21)

For the purpose of determining the diluted loss per share amount, no adjustment has been made to the basic loss per share amount for the nine months ended 30 September 2020 and 2019 as the Group had no potentially dilutive ordinary shares in issue during these periods.

7. SHARE CAPITAL

	Number of shares	Nominal value of ordinary shares HK\$'000
Authorised:		
At 1 January 2019, 31 December 2019 and 30 September 2020 (Unaudited)	50,000,000,000	100,000
Ordinary shares, issued and fully paid:		
At 1 January 2019 and 31 December 2019	3,500,000,000	7,000
Issue of new shares in January 2020	660,000,000	1,320
At 30 September 2020 (Unaudited)	4,160,000,000	8,320

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and prospects

During the nine months ended 30 September 2020, the Group was principally engaged in trading and manufacturing of metal casting parts and components in the PRC and provision of financial printing services in Hong Kong.

Metal Casting Business

The metal casting products of the Group can be categorized 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.

Stepping into 2020, the outbreak of the novel coronavirus (COVID-19) and its escalation on a global scale has triggered unprecedented disruptions in business operations and to the global economy. During the first quarter, the Group's foundry in the PRC have been affected by the work suspension and reduced workforce mobility as a result of the COVID-19 epidemic, thereby experienced a temporary decrease in production.

In the second quarter, the global economic recession deepened, together with the slackening demand among downstream consumers, continued to weigh on sentiment. Although the global economic activity rebounded in the third quarter, the acceleration of the spread of the COVID-19 (especially in Europe and the United States, which are the core markets of our metal casting business) in the fourth quarter and the increasing lock down measures in Europe are raising doubts over the prospects for economic recovery in the industry. It is expected that the metal casting business may experience its own slowdown for a period of time.

Looking ahead, the Group will continue to monitor the development of the COVID-19 epidemic, strengthen its cost control and resources management by executing flexible strategies to face the challenges in order to maintain its competitiveness in the market. Meanwhile, the Group will also explore other potential investment opportunities in order to diversify the Group's business and create new source of revenue to the Group.

Financial Printing Business

On 6 January 2020, the Group successfully completed the acquisition of Solomon Holdings Group Limited which is principally engaged in the provision of financial printing services in Hong Kong. The Group is of the view that the increase in the number of new listings in equity fund raising activities on the Stock Exchange is expected to bring growth of the financial printing services and the Group would benefit from diversifying its revenue source through the acquisition.

Going forward, given the sustainable demand for periodic financial documents for the listed companies, the Group will continue to provide a wide range of financial printing services to meet our customers' demands and requirements. In addition, the Group will further enhance our quality control and inspection throughout our production process to ensure the quality of our financial printing services.

Entertainment Business

Last year, the Group has also engaged in the concerts and events organization business in Hong Kong (the "Entertainment Business"). However, the social unrest, low sentiment, and the downward pressure on economic growth in Hong Kong since the third quarter of 2019 has negatively impacted the results in the Entertainment Business. Some events and concerts have been either cancelled or re-scheduled. Together with the outbreak of the COVID-19, the Group expects that such unfavorable and uncertain market conditions in the Entertainment Business shall persist for a period of time.

On 6 February 2020, the Group has discontinued the entire Entertainment Business through the disposal of a subsidiary in order to prevent the Group from suffering further losses and cash outflow for the non-performing Entertainment Business. Our management will closely monitor the business environment and explores new and value-added businesses from time to time in order to diversify the risk of the Group and, hence, to provide a stable return to the Group in the long run.

Financial Review

Revenue

For the nine months ended 30 September 2020, total revenue of the Group increased about 56% to approximately HK\$70.02 million as compared with the corresponding period in 2019. The increase in total revenue was mainly due to the combined effects of (i) the decrease in sales volume of cast metal products as a result of the outbreak of the COVID-19 and (ii) the new source of income arising from financial printing business of approximately HK\$37.68 million.

Gross profit

Gross profit of approximately HK\$18.51 million was recorded for the nine months ended 30 September 2020, increased by approximately HK\$8.03 million as compared with the corresponding period in 2019 of approximately HK\$10.48 million. The Group's overall gross profit margin slightly increased from 23% for the nine months ended 30 September 2019 to 26% for the nine months ended 30 September 2020 which was mainly due to the relatively high gross profit margin from the newly acquired financial printing business.

Other income

Other income mainly represented the receipt of subsidy under the Employment Support Scheme of the Hong Kong SAR Government.

Selling and distribution expenses

The Group's selling and distribution expenses for the nine months ended 30 September 2020 amounted to approximately HK\$4.46 million, representing an approximately 40% increase as compared with the corresponding period in 2019 of approximately HK\$3.18 million. The increase for the period was mainly due to the selling and distribution expenses arising from the financial printing business which was acquired during the period.

Administrative expenses

The Group's administrative expenses for the nine months ended 30 September 2020 amounted to approximately HK\$26.95 million, representing an approximately 95% increase as compared with the corresponding period in 2019 of approximately HK\$13.80 million. Administrative expenses primarily consist of salaries and benefit payments paid to directors and staff, depreciation, exchange loss, audit fee and legal and professional fees to ensure on going compliance with relevant rules and regulations. The increase for the period was mainly due to the administrative expenses arising from the financial printing business which was acquired during the period.

Finance costs

Finance costs mainly represented the interest on lease liabilities and factoring charges.

Loss for the period

Loss attributable to owners of the Company for the nine months ended 30 September 2020 amounted to approximately HK\$6.97 million (nine months ended 30 September 2019: Loss of approximately HK\$7.36 million). Such decrease was mainly due to the net effects of (i) the one-off gain on disposal of a subsidiary and the one-off subsidy from HKSAR Government; (ii) the increase in administrative expenses after the acquisition of financial printing business; and (iii) the improvement of gross profit as mentioned above.

Title defect risk in the leased properties

As at the date of this report, the Group has leased a foundry which is located at Qiuchang Town, Huiyang District, Huizhou City ("Qiuchang Foundry") as the Group's production base. The owner of the land where the Qiuchang Foundry is located (the "Owner") and the landlord of the Qiuchang Foundry (the "Landlord") do not possess valid collective land use rights certificates for construction land and building ownership certificates for the Qiuchang Foundry respectively. During the period, the Group has continued to actively liaise with the Owner and the Landlord for the progress of the rectification of the title defects for the leased property. However, the Owner and the Landlord are not able commit to a time frame to complete the rectification by reason that the relevant procedures are subject to approvals and inspections by the relevant authorities, which is not within the control of the Landlord. As a part of the risk management plan of the Group to mitigate the risk arising from the title defect of the leased property in the PRC, the Group has entered into a legally binding memorandum of understanding (the "MOU") with a landlord for a backup plant located at Qingyuan City, Guangdong Province, the PRC. As at date of this report, the Owner is still in the process of applying for the collective land use rights certificates for construction land, being an important and necessary step for applying the building ownership certificate for the Qiuchang Foundry. The Group, the Owner and the Landlord had not received, and the relevant government authorities had not issued, any notice, letter or order, about the title defect of the Qiuchang Foundry. The MOU remains valid and the backup plant was not occupied by any other party.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2020, interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long positions in shares of the Company:

Name of Director	Capacity	Number of shares held	Percentage of the Company's issued share capital
Mr. Choi Chiu Ming Jimmy ("Mr. Choi")	Beneficial owner and interest of a controlled corporation	174,320,000 (Note 1)	4.19%

Long positions in shares of associated corporation:

Name of Director	Name of associated corporation	Capacity	Percentage of the associated corporation's issued share capital
Mr. Choi	Bravo Luck Limited ("Bravo Luck")	Directly beneficially owned (Note 1)	100%

Note:

- 174,300,000 shares of these Shares are held by Mr. Choi as beneficial owner. The remaining 20,000 shares are held by Bravo Luck, which in turn is wholly and beneficially owned by Mr. Choi. As such, Mr. Choi is deemed under the SFO to be interested in these 20,000 shares held by Bravo Luck.

Save as disclosed above, as at 30 September 2020, none of the Directors and chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 September 2020, other than the director and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

Long position in shares of the Company:

Name	Nature of interests	Number of shares held	Percentage of the Company's issued share capital
Mr. Fang Jinhua	Personal interest	709,640,000	17.06%
Mr. Yuan Andy Yun Nan	Personal interest	660,000,000	15.87%

Save as disclosed above, as at 30 September 2020, no other persons had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The Company has a share option scheme (the "Share Option Scheme") which was approved and adopted by the sole shareholder of the Company by way of written resolutions passed on 10 April 2015.

No share option has been granted under the Share Option Scheme since its adoption.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the nine months ended 30 September 2020 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the nine months ended 30 September 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the nine months ended 30 September 2020.

COMPETING INTERESTS

As at 30 September 2020, none of the Directors, the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

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 report 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.

To the best knowledge of the Directors, the Company had complied with the code provisions in the CG Code throughout the nine months ended 30 September 2020.

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

Hong Kong, 11 November 2020