BOER POWER HOLDINGS LIMITED
博耳電力控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1685)

PROFIT WARNING

This announcement is made by Boer Power Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and the potential investors that, based on the preliminary review of the latest unaudited consolidated management accounts of the Group, the Group expects to record a substantial decrease in net profit for the six months ended 30 June 2016 as compared to the same period in 2015.

Based on the information currently available to the Board, the Board considers that the substantial decrease in the Group's net profit is mainly attributable to a substantial decrease in the revenue resulting from non-processing and incompletion of the outstanding contract backlog as scheduled in the first half of 2016. This is due to the review and renegotiation of the outstanding contract backlog by the Group as part of the exercise to adjust the model of the factoring business, and during such exercise the management shifted their focus to reforming the factoring business and corporate internal management during the first half of 2016.

With the adjustment exercise on the factoring business model, the management remains sanguine about the overall business development of the Group throughout this year. During the second half of the year, the Group will continue to press ahead with its internal management, cost control and recovery of trade receivables. Meanwhile, it will seize the opportunity to develop its businesses in domestic and overseas markets by leveraging its competitive strengths in Intelligent Electrical Distribution System (iEDS) and Energy Efficiency (EE) businesses, increasing its market shares in key fields such as medical, telecommunications and data centre industries, and speeding up its pace to command presence of Cloud-managed Service in key areas and cities in China in order to broaden the Group's income stream. During the first half of 2016, the development plan for 23 major regional cities in Chongqing, Wuhan, Hangzhou, Wuxi, Nanjing, Fuzhou and Qingdao was completed.

As the Group boasts services and products with clear positioning and solid customer base, it is believed that it can continue to seize the opportunities of growth in demand on intelligent electricity distribution and energy management services and products offered by the policy-driven market. Looking back over the first half of 2016, while adjusting its business model, the Group, leveraging on the long-standing brand and technological advantages, continued to obtain new orders in the fields of telecommunications, data centre, infrastructure and famous international brands, mainly including long term customers like China Unicom, GDS Data Center, Qingdao Metro and AB InBev, as well as orders from new customers. During the first half of 2016, the Group also continued to explore overseas markets and successfully entered into emerging markets and regions, such as Bangladesh.

The information contained in this announcement is only based on the preliminary assessment by the management of the Company based on information currently available and is not based on any figures or information reviewed nor audited by the Company's auditors or audit committee of the Company. Further details of the Group's financial results and performance will be disclosed in the Company's interim results announcement in August 2016.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

For and on behalf of the Board
Boer Power Holdings Limited
Qian Yixiang
Chairman

Hong Kong, 5 July 2016

As at the date hereof, the Board comprises (i) four executive Directors: Mr. Qian Yixiang, Ms. Jia Lingxia, Mr. Zha Saibin and Mr. Qian Zhongming; (ii) one non-executive Director: Mr. Zhang Huaqiao; and (iii) two independent non-executive Directors: Mr. Yeung Chi Tat and Mr. Tang Jianrong.