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 AND BUSINESS UPDATES

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, the Company has decided to make a substantial impairment provision for bad debts (the "**Provision**") of the trade receivables, loans to customers and retention receivables (the "**Receivables**") for at least RMB200 million during the six months ended 30 June 2018. As a result, the Group expects to record a substantial loss for the six months ended 30 June 2018.

The Company has decided to make the Provision on the basis that the timing of realising those Receivables is uncertain, and the increased aging of those Receivables for the six months ended 30 June 2018. Moreover, the recovery process of some of the Receivables is slower than expected.

The Group has proactively taken actions to recover the outstanding receivables from its customers including initiating legal proceedings against some of the defaulting customers. In some cases, the courts have ordered the defaulting customers to sell their assets to set off the payment due to the Group. The Group also introduced its defaulting customers to asset management companies and banks to resolve their internal financing issues. The management will continue to closely follow up with each of the defaulting customers to evaluate their financial strength and progress of their projects, and take necessary actions as required.

BUSINESS UPDATES

The Board wishes to inform the Shareholders and the potential investors that the Group has recently won two tenders for two scalable projects in the People's Republic of China. One of the projects involves construction of low voltage environmentally controlled switchgear for the line No. 1 of the metro system in Qingdao City of the Shandong Province, with a contract value of approximately RMB70 million. The other project involves construction of low voltage intelligent power distribution solutions of a newly developed Waigaoqiao Data Center located in Shanghai for GDS Services Holdings Limited, a long-term customer of the Group, with a contract value of approximately RMB20 million.

The Group will continue to seize the development opportunities in the fields of telecommunications, data center, medical services, rail transit and international customers, which are key industries and segments in which the Group possesses outstanding competitive advantages, to vigorously expand intelligent electrical distribution system and energy efficiency businesses and continue to expand the market share in those industries.

As the Company is still in the process of finalizing its interim results, the information contained in this announcement is only based on the preliminary assessment by the management of the Company based on unaudited consolidated management accounts of the Group and the discussion with the auditors of the Company, but the unaudited consolidated management accounts have not been reviewed and approved by the Company's audit committee. Further details of the Group's financial results and performance will be disclosed in the Company's interim results announcement in mid August 2018.

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, 8 August 2018

As at the date hereof, the Board comprises of (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) three independent non-executive Directors: Mr. Yeung Chi Tat, Mr. Tang Jianrong and Mr. Qu Weimin.