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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)

CONTINUING CONNECTED TRANSACTION SALES FRAMEWORK AGREEMENT

THE SALES FRAMEWORK AGREEMENT

On 13 September 2021, Boer Wuxi, an indirect wholly-owned subsidiary of the Company, entered into the Sales Framework Agreement with Boer Energy pursuant to which Boer Wuxi may supply the Products to Boer Energy from 13 September 2021 to 31 December 2023 in accordance with the terms and conditions of the Sales Framework Agreement.

LISTING RULES IMPLICATIONS

Boer Energy is 60% directly-owned by Wuxi Boer Cloud, a company owned as to 90% by Mr. Qian Yixiang and 10% by Ms. Jia Lingxia, respectively. Mr. Qian Yixiang is (i) an executive Director, the chairman of the Board, the chief executive officer and one of the Controlling Shareholders of the Company; (ii) the son of Mr. Qian Zhongming, an executive Director; and (iii) the husband of Ms. Jia Lingxia. Ms. Jia Lingxia is (i) an executive Director, the chief operating officer and one of the Controlling Shareholders of the Company; (ii) the daughter-in-law of Mr. Qian Zhongming, an executive Director; and (iii) the wife of Mr. Qian Yixiang. Accordingly, Boer Energy is an associate of Mr. Qian Yixiang and Ms. Jia Lingxia and therefore a connected person of the Company as defined in the Listing Rules and the Transactions constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the respective applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Sales Framework Agreement are more than 0.1% but less than 5%, the Transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

PRINCIPAL TERMS OF THE SALES FRAMEWORK AGREEMENT

- Date: 13 September 2021
- Parties: (i) Boer Energy, as purchaser
(ii) Boer Wuxi, as vendor
- Subject matter: Boer Wuxi may, during the period from 13 September 2021 to 31 December 2023, supply the Products to Boer Energy. The order amount, the terms of delivery and price of the Products in each order shall be separately negotiated, entered into, and be performed under separate purchase order to be entered into between Boer Energy and Boer Wuxi with such requirements and specifications to be mutually agreed in writing in accordance with the terms of the Sales Framework Agreement.
- Price: The price of the Products in each order shall be separately negotiated, entered into, and be performed under separate purchase orders to be entered into between Boer Energy and Boer Wuxi with such requirements and specifications to be mutually agreed in writing in accordance with the terms of the Sales Framework Agreement.
- | Annual caps: | From 13
September 2021
to 31 December
2021 | From
1 January 2022
to 31 December
2022 | From
1 January 2023
to 31 December
2023 |
|--------------|---|--|--|
| | RMB5,000,000 | RMB15,000,000 | RMB15,000,000 |
- The above annual caps are determined by the parties taking into account of (i) the forecasted demand of the Products by Boer Energy in the three financial years during the term of the Sales Framework Agreement; and (ii) the forecasted price of the Products.
- Settlement: Boer Energy is able to make purchases of the Products on credit terms to be agreed between Boer Wuxi and Boer Energy.

GENERAL PRICING POLICY FOR THE SALES FRAMEWORK AGREEMENT

For pricing of the Products, the price will be negotiated on an arm's length basis and determined in the ordinary course of business on normal commercial terms or on terms no less favourable than those provided to Independent Third Parties by Boer Wuxi in the PRC.

INTERNAL CONTROL MEASURES

The finance department of the Company shall obtain and monitor the purchase orders to ensure the agreed price and terms of the Transactions are no less favourable than those provided to Independent Third Parties. The finance department of the Company shall monitor and ensure that the Transactions are and will be conducted in accordance with the terms of the Sales Framework Agreement, and the annual caps are not exceeded.

INFORMATION ON THE GROUP, BOER WUXI AND BOER ENERGY AND REASONS AND BENEFITS OF THE SALES FRAMEWORK AGREEMENT

The Group is principally engaged in design, manufacture and sale of electrical distribution equipment and provision of electrical distribution systems solution services.

Boer Wuxi is a limited liability company established under the laws of the PRC and is principally engaged in the design, manufacture and sale of electrical distribution equipment.

Boer Energy is a limited liability company established under the laws of the PRC and is principally engaged in the new energy business and related EPC projects.

The entering of the Sales Framework Agreement between Boer Wuxi and Boer Energy is in line with the Group's sales strategy and is beneficial for increasing the sales of the electrical distribution equipment and related components and spare parts and hence increasing the revenue of the Group.

The Directors, including the independent non-executive Directors, are of the view that the continuing connected transactions contemplated under the Sales Framework Agreement have been conducted on normal commercial terms, were entered into in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and its shareholders as a whole, and that the annual caps for the continuing connected transactions contemplated under the Sales Framework Agreement are fair and reasonable.

LISTING RULES IMPLICATIONS

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As one or more of the respective applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Sales Framework Agreement are more than 0.1% but less than 5%, the Transactions are subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board has approved the Sales Framework Agreement and the Transactions by a board resolution. Each of Mr. Qian Yixiang, Ms. Jia Lingxia and Mr. Qian Zhongming has abstained from voting on the board resolutions approving the Sales Framework Agreement and the Transactions. Saved as disclosed above, none of the Directors has a material interest in or is required to abstain from voting on the Sales Framework Agreement and the Transactions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Boer Energy”	Boer Energy Jiangsu Co., Ltd.* (博耳能源江蘇有限公司), a limited liability company established under the laws of the PRC and is 60% directly-owned by Wuxi Boer Cloud
“Boer Wuxi”	Boer (Wuxi) Power System Co., Ltd.* (博耳(無錫)電力成套有限公司), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company

“Company”	Boer Power Holdings Limited (博耳電力控股有限公司), an exempted limited liability company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and, in the context of the Company for the purposes of this announcement, means Mr. Qian Yixiang, Ms. Jia Lingxia and King Able
“Director(s)”	the director(s) of the Company
“EPC”	engineering, procurement and construction
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	a person(s) or company(ies) who or which is/are independent of and not connected (within the meaning of the Listing Rules) with any of the directors, chief executive, or substantial shareholders of the Company or its subsidiaries or any of their respective associates
“King Able”	King Able Limited (興寶有限公司), a company incorporated in the British Virgin Islands and owned as to 50% by Mr. Qian Yixiang and 50% by Ms. Jia Lingxia, respectively
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Qian Yixiang”	being (i) a shareholder who owns 90% of the equity interests of Wuxi Boer Cloud; (ii) an executive Director, the chairman of the Board, the chief executive officer and one of the Controlling Shareholders of the Company; (iii) the son of Mr. Qian Zhongming, an executive Director; and (iv) the husband of Ms. Jia Lingxia
“Ms. Jia Lingxia”	being (i) a shareholder who owns 10% of the equity interests of Wuxi Boer Cloud; (ii) an executive Director, the chief operating officer and one of the Controlling Shareholders of the Company; (iii) the daughter-in-law of Mr. Qian Zhongming, an executive Director; and (iv) the wife of Mr. Qian Yixiang

“PRC”	the People’s Republic of China
“Products”	the electrical distribution equipment and related components and spare parts to be supplied under the Sales Framework Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Framework Agreement”	the agreement dated 13 September 2021 entered into between Boer Wuxi and Boer Energy and for the sale and purchase of the Products, details of which are set out in the section headed “Principal terms of the Sales Framework Agreement” of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the transactions contemplated under the Sales Framework Agreement
“Wuxi Boer Cloud”	Wuxi Boer Cloud Technology Co., Ltd.* (無錫博耳雲科技有限公司), a limited liability company established under the laws of the PRC and owned as to 90% by Mr. Qian Yixiang and 10% by Ms. Jia Lingxia, respectively
“%”	per cent

* *For identification purposes only*

By order of the Board
Boer Power Holdings Limited
Qian Yixiang
Chairman

Hong Kong, 13 September 2021

As at the date of this announcement, the Board comprises (i) five executive Directors: Mr. Qian Yixiang, Ms. Jia Lingxia, Mr. Zha Saibin (Mr. Yu Wai Ming as his alternate), Mr. Qian Zhongming and Mr. Yu Wai Ming; and (ii) three independent non-executive Directors: Mr. Tang Jianrong, Mr. Qu Weimin and Mr. Lai Wai Leuk.