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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)**

### **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).

Reference is made to the profit warning announcement of the Company dated 24 February 2017 in relation to profit warning and business updates (the “**Announcement**”). The board of directors of the Company (the “**Board**”) wishes to update the shareholders of the Company (the “**Shareholders**”) and the potential investors that, the Company has decided to make a substantial amount of provision for bad debts (the “**Provision**”) of the trade receivables, loans to customers, retention receivables and bills receivables (the “**Receivables**”) during the year of 2016. As a result, together with other factors set out in the Announcement, the Group expects to record a substantial loss for the year ended 31 December 2016 as compared to the same period in 2015.

The Company has decided to make the Provision on the basis that the timing of realising those Receivables is uncertain, as the customers need more time to improve their cash flow and/or operations. The Company has also taken account into the increased aging of those Receivables for the year of 2016. The Provision has been made to those Receivables, whose recovery is considered doubtful but not remote. When the Company is satisfied that recovery is remote, the amount considered irrecoverable is written off against these items directly. Such Provision does not represent writing off of any of these item during the year of 2016.

The Group has proactively adopted measures for the recovery of the outstanding receivables from its customers including allocating more resources to recover receivables from its customers, introducing such customers to asset management companies and banks to resolve their internal financing issues, and to consider the possibility of pursuing legal actions against such customers. In addition, for the period from 1 January 2017 to 28 February 2017, the Group has received approximately RMB182 million from its customers for the settlement of outstanding trade receivables, loans to customers, retention receivables and bills receivables accrued up to 31 December 2016 (the “**Settlement Amount**”), Provision has not been made for the Settlement Amount. Based on the foregoing, the Board is of the view that the Provision will not have a significant adverse impact on the long-term development of the business of the Group.

As the Company is still in the process of finalizing its annual 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, but 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 annual results announcement at the end of March 2017.

**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, 24 March 2017

*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) three independent non-executive Directors: Mr. Yeung Chi Tat, Mr. Tang Jianrong and Mr. Qu Weimin.*