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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)

CONNECTED TRANSACTION DISPOSAL OF THE SALE EQUITY INTERESTS IN THE TARGET COMPANY

On 19 July 2019 (after trading hours), the Vendor, the Purchaser and the Target Company entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Equity Interests at the Consideration of approximately RMB4.91 million (equivalent to approximately HK\$5.58 million).

As at the date of this announcement, the Purchaser is a company wholly-owned by Mr. Qian Zhongming, being (i) an executive Director, (ii) the father of Mr. Qian Yixiang, an executive Director, the chairman, chief executive officer and one of the controlling shareholders of the Company and (iii) the father-in-law of Ms. Jia Lingxia, an executive Director and one of the controlling shareholders of the Company. Accordingly, the Purchaser is a connected person of the Company, and the entering into of the Sale and Purchase Agreement and the transaction contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the Sale and Purchase Agreement and the transaction contemplated thereunder are more than 0.1% and less than 5%, the entering into of the Sale and Purchase Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements, and are exempt from the circular, independent financial advice and independent Shareholders' approval requirements, pursuant to Rule 14A.76 of the Listing Rules.

SALE AND PURCHASE AGREEMENT

On 19 July 2019 (after trading hours), the Vendor, the Purchaser and the Target Company entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Equity Interests at the Consideration of approximately RMB4.91 million (equivalent to approximately HK\$5.58 million).

Date

19 July 2019

Parties

- (i) Vendor: Boer Energy Jiangsu Co., Ltd.*
- (ii) Purchaser: Shanghai Huxi Property Management Co., Ltd.*
- (iii) Target Company: Wuxi Yunneng Electricity Sale Service Co., Ltd.*

Subject matter

The subject matter is the entire equity interests of the Target Company. The only asset of the Target Company is the Power Station located on the roof top of the Factory on Fenghuang Road, Huangtang, Xuxiake Town, Jiangyin City, Wuxi, Jiangsu Province, the PRC. The Target Company also entered into a lease agreement in relation to the aforesaid roof top of the Factory, and supplies and sells electricity generated by the Power Station to the Factory and the State Grid, both of which are independent third parties.

Upon the Completion, the Target Company will be wholly owned by the Purchaser, and accordingly, the Target Company will cease to be a subsidiary of the Company and will cease to be consolidated in the audited consolidated accounts of the Company.

Consideration

The Consideration, being approximately RMB4.91 million (equivalent to approximately HK\$5.58 million), shall be settled in full by cash in two installments. The first installment of RMB4 million (equivalent to approximately HK\$4.55 million) is payable within three business days after the date of the Sale and Purchase Agreement and the second installment of approximately RMB0.91 million (equivalent to approximately HK\$1.03 million) is payable by 26 July 2019.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser, taking into account (i) the valuation performed by an independent valuer and (ii) the prevailing market prices.

Completion

The Completion shall take place on the day when both the Consideration is fully paid and the completion of the registration with the relevant industry and commerce administration authority in relation to the change of shareholder of the Target Company.

INFORMATION ON THE GROUP AND THE VENDOR

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of energy efficiency solutions, intelligent electrical distribution system solutions, electrical distribution system solutions and components and spare parts business in the PRC.

The Vendor is a 60% indirect non-wholly owned subsidiary of the Company and is principally engaged in the provision of energy efficiency solutions, engineering, procurement and construction of electricity-related facilities.

INFORMATION ON THE PURCHASER

The Purchaser is a limited liability company established under the laws of PRC engaged in property management. It is wholly-owned by Mr. Qian Zhongming, being (i) an executive Director, (ii) the father of Mr. Qian Yixiang, an executive Director, the chairman, chief executive officer and one of the controlling shareholders of the Company and (iii) the father-in-law of Ms. Jia Lingxia, an executive Director and one of the controlling shareholders of the Company. Accordingly, the Purchaser is a connected person of the Company under Chapter 14A of the Listing Rules. Save for the foregoing, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser is not in any other way connected with the Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is engaged in photovoltaic power generation and sale of electricity, and a limited liability company established under the laws of the PRC. The Target Company is a direct wholly-owned subsidiary of the Vendor.

The unaudited financial information of the Target Company for the two years ended 31 December 2017 and 2018 and the six months ended 30 June 2019 prepared in accordance with the accounting principles generally accepted in the PRC are set out below:

	For the six months ended 30 June 2019	For the year ended 31 December 2018	For the year ended 31 December 2017
	<i>Approximately RMB'000</i>	<i>Approximately RMB'000</i>	<i>Approximately RMB'000</i>
Revenue	1,077	2,727	325
Profit/(Loss) before taxation	864	2,092	(10)
Profit/(Loss) after taxation	864	2,092	(10)

As at 30 June 2019, the unaudited total assets, total liabilities and net asset value of the Target Company in accordance with the accounting principles generally accepted in the PRC were approximately RMB12.38 million (equivalent to approximately HK\$14.07 million), RMB9.06 million (equivalent to approximately HK\$10.30 million) and RMB3.32 million (equivalent to approximately HK\$3.77 million), respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The main purpose of disposing the Power Station is to bring in additional source of funds for the business development of the Group and general working capital of the Group, while not bringing adverse effect on the operation of the Company.

The Directors (including the independent non-executive Directors, excluding the Directors who have abstained from voting) are of the view that the terms of the transaction are on normal commercial terms, which are fair and reasonable and the entering into the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

Each of Mr. Qian Zhongming, Mr. Qian Yixiang and Ms. Jia Lingxia has declared his/her potential conflict of interests in the transaction contemplated and thus each of them has abstained from voting on the board resolutions approving the Sale and Purchase Agreement and the transaction contemplated. Save as set out above, none of the Directors has a material interest in the Sale and Purchase Agreement and the transaction contemplated thereunder or is required to abstain from voting on the board resolutions for approving the same.

FINANCIAL EFFECTS OF THE DISPOSAL

Immediately after the Completion, the Target Company will cease to be a subsidiary of the Company and the financial results, the assets and the liabilities of the Target Company will cease to be consolidated into the Group's financial statements. As a result of the Disposal, a gain of approximately RMB1.59 million (equivalent to approximately HK\$1.81 million) will be recognised in equity reserves of the Company. The actual amount of such gain arising from the Disposal will be subject to the review and final audit by the auditors of the Company.

PROCEEDS FROM THE DISPOSAL

The cash proceeds from the Disposal of approximately RMB4.91 million (equivalent to approximately HK\$5.58 million) will remain in the Group and are intended to be used by the Group for the business development of the Group and as general working capital of the Group.

LISTING RULES IMPLICATION

As at the date of this announcement, the Purchaser is a company wholly-owned by Mr. Qian Zhongming, being (i) an executive Director, (ii) the father of Mr. Qian Yixiang, an executive Director, the chairman, chief executive officer and one of the controlling shareholders of the Company and (iii) the father-in-law of Ms. Jia Lingxia, an executive Director and one of the controlling shareholders of the Company. Accordingly the Purchaser is a connected person of the Company, and the entering into of the Sale and Purchase Agreement and the transaction contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios in respect of the Sale and Purchase Agreement and the transaction contemplated thereunder are more than 0.1% and less than 5%, the entering into of the Sale and Purchase Agreement and the transaction contemplated thereunder are subject to the reporting and announcement requirements, and are exempt from the circular, independent financial advice and independent Shareholders' approval requirements, pursuant to Rule 14A.76 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	the board of Directors
“business day(s)”	day(s) on which commercial banks are open for business in the PRC (excluding Saturdays, Sundays and public holidays)
“Company”	Boer Power Holdings Limited (博耳電力控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the sale and purchase of the Sale Equity Interests in accordance with the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of the Disposal, being RMB4.91 million (equivalent to approximately HK\$5.58 million)

“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Equity Interests by the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“Factory”	a plastic bottle and aluminum can factory on Fenghuang Road, Huangtang, Xuxiake Town, Jiangyin City, Wuxi, Jiangsu Province, the PRC, and owned and operated by an independent third party
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“independent third party(ies)”	party(ies) independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Qian Zhongming”	Mr. Qian Zhongming, being (i) the sole shareholder of the Purchaser, an executive Director, (ii) the father of Mr. Qian Yixiang, the executive Director, the chairman, chief executive officer and one of the controlling shareholders of the Company and (iii) the father-in-law of Ms. Jia Lingxia, an executive Director and one of the controlling shareholders of the Company
“Power Station”	a distributed photovoltaic power station located on the roof top of a plastic bottle and aluminum can factory on Fenghuang Road, Huangtang, Xuxiake Town, Jiangyin City, Wuxi, Jiangsu Province, the PRC
“PRC”	the People’s Republic of China
“Purchaser”	上海滬錫物業管理有限公司 (Shanghai Huxi Property Management Co., Ltd.*), a limited liability company established under the laws of the PRC and wholly-owned by Mr. Qian Zhongming
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement for the sale and purchase of the Sale Equity Interests dated 19 July 2019 and entered into between the Vendor, the Purchaser and the Target Company

“Sale Equity Interests”	the entire equity interests of the Target Company owned by the Vendor
“Shareholders”	shareholders of the Company
“State Grid”	國網江蘇省電力有限公司無錫供電分公司 (Wuxi Power Supply Branch of State Grid Jiangsu Electric Power Co., Ltd.*), a state owned enterprise established under the laws of the PRC and an independent third party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	無錫雲能售電服務有限公司 (Wuxi Yunneng Electricity Sale Service Co., Ltd.*), a limited liability company established under the laws of the PRC, and a direct wholly-owned subsidiary of the Vendor
“Vendor”	博耳能源江蘇有限公司 (Boer Energy Jiangsu Co., Ltd.*), a limited liability company established under the laws of the PRC, and a 60% indirect non-wholly owned subsidiary of the Company

By order of the Board
Boer Power Holdings Limited
Mr. Zha Saibin
Executive Director

Hong Kong, 19 July 2019

In this announcement, translation of RMB into HK\$ is based on the exchange rate of HK\$1: RMB0.88. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the above exchange rate or any other rates.

**In this announcement, translated English names of Chinese entities for which no official English translation exists are unofficial translations for identification purposes only, and in the event of any inconsistency between the Chinese names and their English translation, the Chinese names shall prevail.*

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; and (ii) three independent non-executive Directors: Mr. Yeung Chi Tat, Mr. Tang Jianrong and Mr. Qu Wenmin.