
SUMMARY

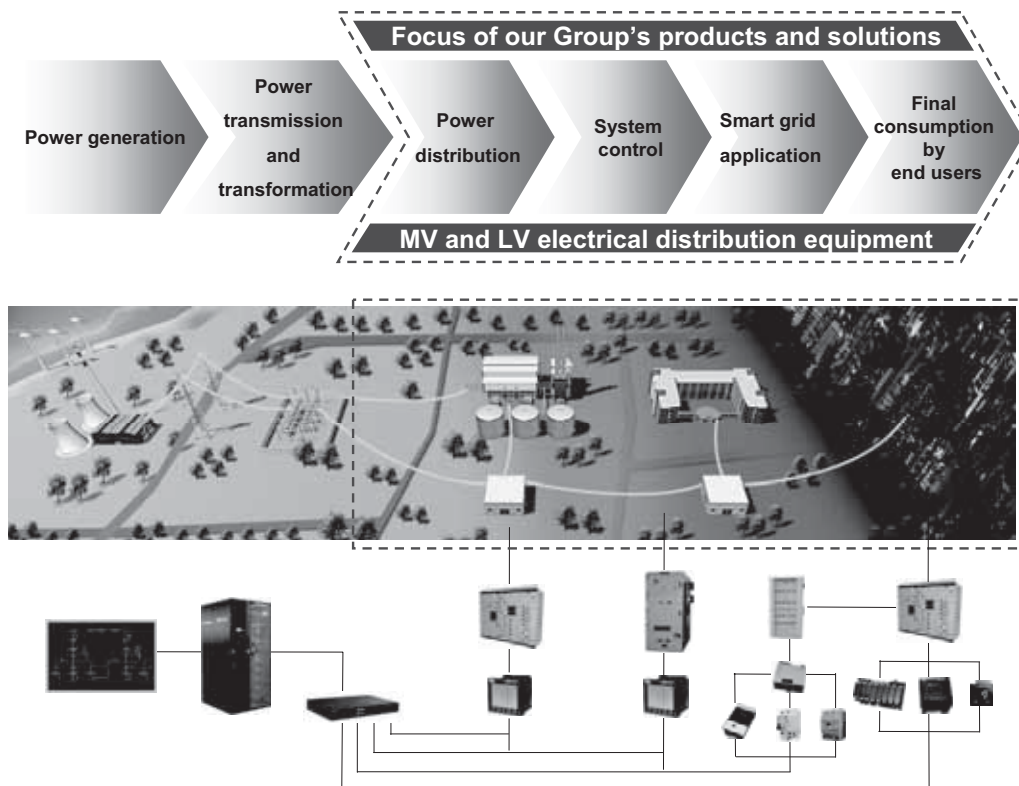
This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide whether to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors”. You should read this section carefully before you decide whether to invest in the Offer Shares.

OVERVIEW

We are a leading one-stop designer, manufacturer and seller of high-quality integrated electrical distribution systems and solutions in China with over 20 years of industry experience. According to the Roland Berger Report, we are the largest pure-domestic electrical distribution systems and solutions provider in the high-end segment of the electrical distribution equipment market by revenue in China in 2008. We offer bespoke electrical distribution systems, intelligent electrical distribution systems and energy saving systems, and are one of the few suppliers who are able to offer one-stop integrated electrical distribution systems and solutions in China. Our electrical distribution systems and solutions are used for distributing a suitable volume and voltage of power from the power connection to the premises and facilities of our customers in accordance with the specific needs of their business operations. Our electrical distribution systems and solutions are custom-designed and implemented according to our clients’ specific needs, and are aimed at improving the safety, stability and efficiency of their electrical distribution systems.

The value chain of power utilisation in the electricity system, as a whole, consists of power generation, power transmission and transformation, power distribution, system control, smart grid applications and final consumption by end-users. Our electrical distribution systems and solutions serve the MV and LV parts of the value chain which are applied in the stages of power distribution, system control, smart grid applications and final consumption by end-users in the electricity system. The diagram below sets out and illustrates various stages of an electricity system and shows which key products of our Group are used in the specific stage of the electricity system:



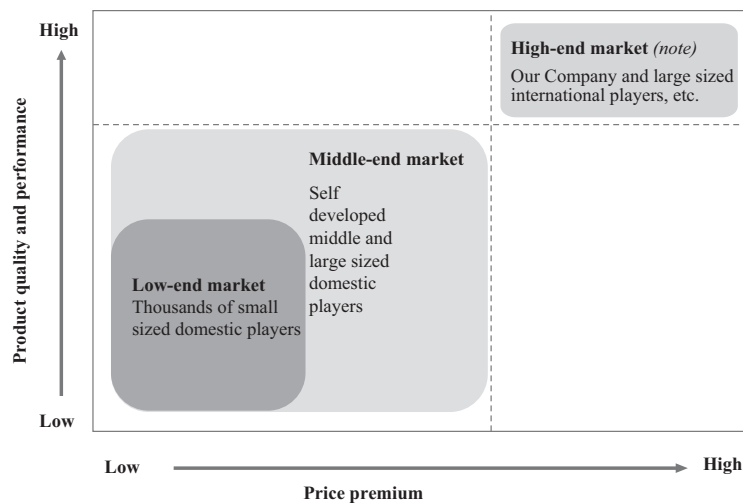
SUMMARY

OUR MARKET POSITION

We compete in the high-end segment of the electrical distribution market and offer electrical distribution systems and solutions to leading players in a number of sectors, including infrastructure construction, telecommunications, water and waste water processing, cement and healthcare. According to the Roland Berger report, the total revenue of the high-end electrical distribution equipment market in China was estimated to have reached RMB15 billion in 2008, accounting for 4.6% of China's total electrical distribution equipment market in the same year.

Within our target market, we were ranked 6th by revenue in 2008, with the top five players being international electrical distribution players or joint ventures set up by international players in China. As such, we were the largest pure-domestic player in the high-end segment of the electrical distribution equipment market in China in 2008. The diagram below illustrates our positioning in China's electrical distribution equipment market:

Our positioning in China's electrical distribution equipment market

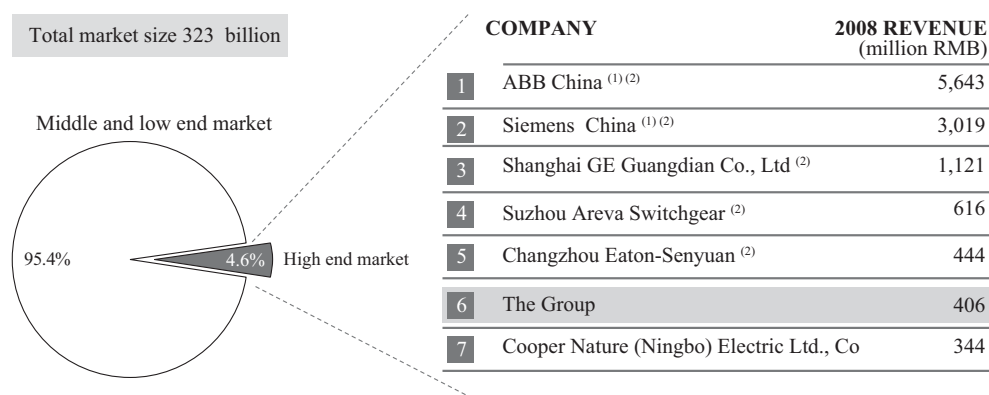


Source: Roland Berger Report

Note: The high-end market is defined as the segment dominated by both leading global players and domestic players which are in long-term partnership with such global players and are allowed to use the brands of these international companies. From the customers' point of view, the high-end market products are perceived to be of better quality, perform better and meet with reliability requirements according to the highest standard.

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Ranking of high-end MV and LV switchgear assembly producers by revenue (2008)



Notes:

- (1) The total revenues of major operating companies engaged in LV and MV electrical distribution equipment.
- (2) International electrical distribution players or joint ventures set up by international players in China.

Source: Roland Berger Report

Our Directors believe that our high-end market positioning enables us to secure price premium by serving customers who demand superior product quality and performance and who are less sensitive to price. We further believe that our positioning enables us to distinguish ourselves from most domestic players who aim at the low-end market and mainly compete by selling their products at a lower price.

OUR BUSINESS SEGMENTS

Our business can be categorised into the following four segments:

- Electrical Distribution System Solutions (“**EDS Solutions**”) (配電系統方案)
- Intelligent Electrical Distribution System Solutions (“**iEDS Solutions**”) (智能配電系統方案)
- Energy Efficiency Solutions (“**EE Solutions**”) (節能方案)
- Components and Spare Parts Business (“**Components and Spare Parts Business**”) (元件及零件業務)

EDS Solutions

Our EDS Solutions business is operated through Boer Wuxi. EDS Solutions are used in power connection between the power mains and the facilities of our customers. The main purpose of an electrical distribution system is to distribute power to the end users’ facilities at suitable voltage and with suitable volume according to the users’ specific purposes and functions. As an integrated EDS Solutions provider, we provide design and hardware systems integration services for mainly medium and low voltage switchboards used in electrical distribution. In providing our EDS Solutions, we attach great importance to understanding the specific needs of our customers in each project. Based on our extensive project experience and electrical distribution system production capability, we believe that we can provide our customers with suitable and custom-made hardware products and solutions for their electrical distribution systems. Our EDS Solutions have been adopted in many large-scale telecommunication, infrastructure construction, healthcare and industrial projects in China.

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iEDS Solutions

In addition to the provision of electrical distribution systems without automation features through our EDS Solutions, we also offer iEDS Solutions which provide certain automatic functions to our electrical distribution systems. Our iEDS Solutions business is operated through Boer Wuxi and Boer Yixing. The operation model of our iEDS Solutions is similar to that of the EDS Solutions, both of which include the provision of design of custom-made electrical distribution systems. The iEDS Solutions however are more advanced and are equipped with devices for automatic data collection and analysis, remote control and automatic fault detection to enable our customers to undertake off-site operation, control and supervision of their electrical distribution systems. Our customers that use our iEDS Solutions are also provided with data and information on the operation and performance of their electrical distribution systems, which enable them to better understand existing problems in their systems and predict potential future problems, and which in turn facilitate them to manage and utilise their systems and facilities in a more efficient manner. These functions are important to industries which require a comparatively safer, more stable and more reliable power system, for example, telecommunications companies, financial institutions, medical institutions and large supermarket chains.

EE Solutions

We leverage on our expertise and experience in our EDS Solutions and iEDS Solutions to develop our EE Solutions. Based on the data and information collected by and provided to our customers using our iEDS Solutions, we are able to analyse the performance of our customers' electrical distribution systems and hence offer solutions, proposals and measures to our customers on how the safety, stability and efficiency of their systems can be upgraded, repaired or improved, with the aim of ultimately saving energy and enhancing the energy efficiency in their operations. Therefore, our EE Solutions refer to the provision of services rather than the offering of products. Our services for EE Solutions include managing equipment maintenance for our customers and offering them a range of other value-added services. Our major tasks include site diagnostics, installation monitoring, on-site and remote maintenance, energy efficiency improvement advice, training and technical support. We offer EE Solutions through our wholly-owned subsidiary, Boer Services Co. On average, the technical staff of Boer Services Co has approximately nine years of experience in the electrical distribution industry. Our EE Solutions are a newly developed business segment and our target customers are electricity end-users in various industry sectors, in particular, our existing customers using our electrical distribution systems and equipment. We believe that we can leverage on our experience, expertise and customers gained from our EDS Solutions and iEDS Solutions business segments to promote our EE Solutions, and offer our recommendations and measures to customers to potentially generate additional business opportunities to market our products and services. Our EE Solutions have been adopted by China Mobile, a telecommunications company and by a leading international retailer in China.

Components and Spare Parts Business

In addition to providing electrical distribution systems, such as switchboards, and automation and energy efficient solutions to our customers under our EDS Solutions, iEDS Solutions and EE Solutions, we have also manufactured certain components and spare parts used in electrical distribution equipment and sold them separately to our customers since 2002. This business is not a core segment of our existing business as we consider that the mere manufacture and sale of components and spare parts will not allow us to fully leverage our advantages and value as an integrated electrical distribution systems solutions provider capable of offering value-adding design and solutions services to our customers. However, should the components and spare parts manufactured by us become more technologically advanced and become more widely accepted by the customers, the use of such components and spare parts in the manufacture of our electrical distribution systems may increase and drive the further expansion and enhancement of our component production capabilities, and contribute to the future growth and revenue from this business segment in the future. Currently, we operate our Components and Spare Parts Business through Boer Yixing and Yixing Boai.

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OUR FINANCIAL HIGHLIGHTS

Track Record Period

For the year ended 31 December 2009, approximately 52.8%, 32.8%, 0.2% and 14.2% of our revenue and 51.6%, 32.6%, 0.4% and 15.4% of our gross profit were derived from our EDS Solutions, iEDS Solutions, EE Solutions and Components and Spare Parts Business, respectively. For the six months ended 30 June 2010, approximately 42.9%, 46.9%, 0.3% and 9.9% of our revenue and 42.3%, 47.6%, 0.5% and 9.6% of our gross profit were derived from our EDS Solutions, iEDS Solutions, EE Solutions and Components and Spare Parts Business, respectively.

The following table sets forth the revenue, gross profit and gross profit margin for each of our business segments for the three years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010 respectively:

	Year ended 31 December			Six months ended 30 June	
	2007	2008	2009	2009	2010
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue					
EDS Solutions	254,691	277,809	258,936	116,003	185,671
iEDS Solutions	54,465	70,522	161,017	67,130	202,890
EE Solutions	—	—	915 ^(Note)	288	1,249
Components and Spare Parts Business	48,118	57,183	69,848	30,497	42,706
Total	357,274	405,514	490,716	213,918	432,516
Gross Profit					
EDS Solutions	50,191	77,198	80,520	32,102	65,273
iEDS Solutions	16,830	26,667	50,940	22,338	73,618
EE Solutions	—	—	620 ^(Note)	169	801
Components and Spare Parts Business	12,319	19,248	24,049	11,505	14,825
Total	79,340	123,113	156,129	66,114	154,517
Gross Profit Margin					
EDS Solutions	19.7%	27.8%	31.1%	27.7%	35.2%
iEDS Solutions	30.9%	37.8%	31.6%	33.3%	36.3%
EE Solutions	—	—	67.8% ^(Note)	58.7%	64.1%
Components and Spare Parts Business	25.6%	33.7%	34.4%	37.7%	34.7%
Overall gross profit margin	22.2%	30.4%	31.8%	30.9%	35.7%

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As reflected in the financial figures of our Group during the Track Record Period, we experienced a substantial increase in the revenue of our iEDS Solutions business in 2009 and a commencement of our EE Solutions business in 2009. For the six months ended 30 June 2010, our iEDS Solutions business has contributed 46.9% to our total revenue. We believe that these changes were consistent with our development plan and reflected our successful efforts in developing our iEDS Solutions and EE Solutions in order to meet customers' needs for higher automation level of electrical distribution equipment and intelligent system for effective management of electricity use data and performance. The expansion of our iEDS Solutions business is mainly attributable to the increasing demand of our customers from various industries for electrical automation solutions.

The aggregate value of projects of our EDS Solutions and iEDS Solutions in our backlog as of 31 August 2010 amounted to RMB62.0 million and RMB168.8 million, respectively. We expect that the majority of the backlog projects will be completed by December 2010.

Note: Our revenue, gross profit and gross profit margin for EE Solutions in the year ended 31 December 2009 set out in the above table do not include our EE Solutions provided for our projects with a leading international retailer in China during that year as we have booked all such revenue as derived from the provision of our EDS Solutions. As revenue generated from EDS Solutions accounted for most of our revenue from these projects, we had invoiced our customer in one lump sum for all our products and services provided during that year.

OUR PROJECT OPERATION PROCESS

Our business is predominantly project-based, and the products are custom-made to the specific needs of each individual customer. We secure our EDS Solutions and iEDS Solutions businesses by (i) entering into sales contracts with, and supply the electrical distribution systems manufactured by us directly to, the customers originated by us, or (ii) working in conjunction with Schneider, which purchases the appropriate electrical distribution systems designed and manufactured by us and subsequently provide them to the customers with whom Schneider enters into sales contracts.

Sales and Tendering Process

Most of our contracts with customers are obtained through tender. If we decide to pursue a particular project, we will tender our bid based on our custom-made design of electrical distribution systems and solutions, after having taken reference to the specifications and requirements set out by the potential customers in the tender documents. If we are awarded a bid, we will enter into a contract directly with our customers.

Implementation of Project

Once we secure a project, we will formulate a manufacturing plan to set out the production sequence of the custom-made electrical distribution systems submitted during tender, subject to any variations agreed with the customers, before the manufacturing commences to ensure an efficient production process. After delivery to and acceptance of our electrical distribution systems by our customers, we normally provide a 12 month's warranty for our products. In addition to the maintenance services during the warranty period, we also offer after-sale customer services to our customers, at their option, after the expiry of the warranty period, including on-site inspection, testing, repair and maintenance services and professional analysis of the condition and performance of our customers' power systems.

A typical project secured by us will take approximately four to six months to complete from tendering to project implementation.

SUMMARY

BUSINESS RELATIONSHIPS WITH SCHNEIDER AND ABB

Relationship with Schneider

Our Group has established a long-term close cooperation and business relationship with Schneider since 1998. Schneider is an internationally renowned electrical components and electrical distribution solutions provider whose parent company is listed on the NYSE Euronext (previously known as the Paris Stock Exchange). We are among the first batch of companies in China to form an informal strategic alliance with Schneider. Under such alliance, we have been authorised by Schneider to manufacture electrical distribution systems under the brand of “Schneider” together with the brand of “BOER” as manufacturer pursuant to five license agreements made between Schneider and us since 1998. We have also entered into an annual supply agreement with Schneider since 2000 for the purchase of electrical parts and components from Schneider to be used in the electrical distribution systems manufactured by us.

Moreover, we have reached an informal consensus with Schneider that, rather than competing with each other on projects, we would work in cooperation with each other instead. As Schneider does not have a production base that manufactures electrical distribution systems similar to those that we provide in China, Schneider has contracted with us to buy our EDS Solutions and iEDS Solutions and then sold them to its premium customers for their projects in China during the Track Record Period.

As a result of this long-standing cooperation and business relationship, Schneider has become our largest customer and largest supplier during the Track Record Period. The amounts of revenue that we generated for the three years ended 31 December 2007, 2008 and 2009 and the six months ended 30 June 2010 with Schneider as our largest customer were approximately RMB45.2 million, RMB52.6 million, RMB67.6 million and RMB87.1 million, being 12.6%, 13.0%, 13.8% and 20.1% of our revenue in the same periods, respectively. The values of components we purchased from Schneider as our largest supplier for the same periods were approximately RMB84.0 million, RMB87.0 million, RMB110.3 million and RMB60.2 million, being 30.2%, 30.8%, 33.0% and 21.6% of our cost of sales in those periods, respectively.

Further details of our business relationship with Schneider and the possible risks relating to such business relationship with Schneider on our Group are set out in the sections headed “Business” and “Risk Factors” of this prospectus, respectively.

Relationship with ABB

We have been appointed by another major international leader in the electrical distribution equipment industry, ABB, as an authorised manufacturer of MV and LV electrical distribution systems under its brand pursuant to two license agreements made between ABB and us since 2006. We generated RMB8.0 million, RMB7.0 million, RMB21.6 million, RMB9.8 million and RMB12.2 million with the sale of the electrical distribution systems carrying the brand of “ABB” together with the brand of “BOER” as manufacturer for the three years ended 31 December 2007, 2008 and 2009, the six months ended 30 June 2009 and the six months ended 30 June 2010, respectively, which contributed 2.2%, 1.7%, 4.4%, 4.6% and 2.8% of the revenues of our Group for those periods.

Further details of our business relationship with ABB and the possible risks relating to such business relationship with ABB on our Group are set out in the paragraph headed “EDS Solutions – Our development” under the section headed “Business” and the paragraph headed “We rely on the authorisation arrangements with Schneider and ABB to generate a significant portion of our revenue” under the section headed “Risk Factors” of this prospectus, respectively.

SUMMARY

OUR COMPETITIVE STRENGTHS

We believe that the following strengths enable us to compete effectively:

- The largest pure-domestic company in the high-end segment, with significant advantages over domestic and foreign players
- Advanced technology capabilities and continuous effort in research and development
- Broad and high quality customer base to develop long-term relationships
- One-stop integrated solutions capability
- Nationwide and highly efficient sales network
- Experienced management team with extensive knowledge of the electrical distribution equipment industry

OUR STRATEGIES

Our strategies to achieve our goals include the following:

- Enhancing our iEDS Solutions to prepare for the implementation of smart grid
- Enhancing development of our EE Solutions business
- Furthering our research and development capability
- Expanding our production capacity
- Extending our sales coverage and promoting our products in China
- Increasing our downstream sales channel and market segment in China
- Enhancing our upstream component production capability

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SUMMARY HISTORICAL FINANCIAL INFORMATION

The following table presents a summary of our combined income statements as a group for the three years ended 31 December 2007, 2008 and 2009, the six months ended 30 June 2009 and the six months ended 30 June 2010. The summary of our combined income statements are derived from, and should be read in conjunction with, our combined financial statements included in the Accountants' Report set forth in Appendix I to this prospectus. Our combined financial statements have been prepared in accordance with HKFRS. Investors should also read the following selected financial data together with the discussion in the section headed "Financial Information" of this prospectus.

Combined Income Statements

	Year ended 31 December			Six months ended 30 June	
	2007	2008	2009	2009	2010
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Turnover	357,274	405,514	490,716	213,918	432,516
Cost of sales	<u>(277,934)</u>	<u>(282,401)</u>	<u>(334,587)</u>	<u>(147,804)</u>	<u>(277,999)</u>
Gross profit	79,340	123,113	156,129	66,114	154,517
Other revenue	3,605	3,172	10,994	5,370	1,693
Selling and distribution expenses	(9,336)	(17,633)	(23,719)	(8,493)	(16,349)
Administrative expenses	<u>(13,672)</u>	<u>(29,181)</u>	<u>(31,028)</u>	<u>(13,166)</u>	<u>(34,556)</u>
Profit from operations	59,937	79,471	112,376	49,825	105,305
Finance expenses	(17,815)	(13,401)	(12,225)	(6,453)	(1,030)
Share of (loss)/ profit of associates	<u>(528)</u>	<u>81</u>	<u>403</u>	<u>249</u>	<u>—</u>
Profit before taxation	41,594	66,151	100,554	43,621	104,275
Income tax	<u>(1,588)</u>	<u>(12,800)</u>	<u>(15,331)</u>	<u>(6,431)</u>	<u>(14,603)</u>
Profit for the year/period	<u>40,006</u>	<u>53,351</u>	<u>85,223</u>	<u>37,190</u>	<u>89,672</u>
Attributable to:					
Equity shareholders of the Company	39,343	51,557	76,403	36,294	87,508
Non-controlling interests	<u>663</u>	<u>1,794</u>	<u>8,820</u>	<u>896</u>	<u>2,164</u>
Profit for the year/period	<u>40,006</u>	<u>53,351</u>	<u>85,223</u>	<u>37,190</u>	<u>89,672</u>
Earnings per share	<u>RMB0.07</u>	<u>RMB0.09</u>	<u>RMB0.14</u>	<u>RMB0.06</u>	<u>RMB0.16</u>

SUMMARY

Combined Balance Sheets

	As at 31 December			As at
	2007	2008	2009	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current assets				
Property, plant and equipment	24,360	44,270	41,981	42,458
Construction in progress	–	–	–	772
Intangible assets	4,348	3,846	24	12
Lease prepayments	5,574	6,453	20,131	20,017
Interest in associates	2,034	2,115	–	–
Other financial assets	12,431	16,307	–	–
Deferred tax assets	2,512	3,241	1,110	1,306
Total non-current assets	<u>51,259</u>	<u>76,232</u>	<u>63,246</u>	<u>64,565</u>
Current assets				
Inventories	13,127	9,589	34,379	36,057
Trade and other receivables	218,688	224,556	213,758	386,192
Amounts due from directors	305	1,303	631	78
Amounts due from related parties	161,112	174,107	177,628	3,702
Tax recoverable	–	443	–	–
Pledged deposits	28,602	39,488	94,057	41,392
Cash at bank and in hand	32,260	14,979	27,762	54,516
Total current assets	<u>454,094</u>	<u>464,465</u>	<u>548,215</u>	<u>521,937</u>
Total assets	<u>505,353</u>	<u>540,697</u>	<u>611,461</u>	<u>586,502</u>
Current liabilities				
Bank loans	169,500	145,000	50,000	70,000
Trade and other payables	198,308	198,372	323,949	290,217
Amounts due to directors	127	138	138	–
Amounts due to related parties	6,569	9,128	25,424	221
Current taxation	2,047	4,462	6,766	16,666
Total current liabilities	<u>376,551</u>	<u>357,100</u>	<u>406,277</u>	<u>377,104</u>
Net current assets	<u>77,543</u>	<u>107,365</u>	<u>141,938</u>	<u>144,833</u>
Total assets less current liabilities	<u>128,802</u>	<u>183,597</u>	<u>205,184</u>	<u>209,398</u>
Non-current liabilities				
Deferred tax liabilities	–	1,882	1,439	–
Total non-current liabilities	<u>–</u>	<u>1,882</u>	<u>1,439</u>	<u>–</u>
Total liabilities	<u>376,551</u>	<u>358,982</u>	<u>407,716</u>	<u>377,104</u>
Equity				
Paid-in capital	57,511	57,511	7,511	7,590
Reserves	67,360	118,479	164,644	197,219
Total equity attributable to equity shareholders of the Company	<u>124,871</u>	<u>175,990</u>	<u>172,155</u>	<u>204,809</u>
Non-controlling interests	<u>3,931</u>	<u>5,725</u>	<u>31,590</u>	<u>4,589</u>
Total equity	<u>128,802</u>	<u>181,715</u>	<u>203,745</u>	<u>209,398</u>
Total liabilities and equity	<u>505,353</u>	<u>540,697</u>	<u>611,461</u>	<u>586,502</u>

SUMMARY

SILVER CREST'S INVESTMENT

On 1 March 2010, King Able and Silver Crest, among others, entered into an investment agreement (the “**Investment Agreement**”), pursuant to which Silver Crest agreed to purchase and King Able agreed to sell 80 shares of US\$1.00 each in Cheer Success for a consideration of US\$15 million. Upon completion of the transfer, Cheer Success was held as to 92% by King Able and 8% by Silver Crest. The consideration for Silver Crest's acquisition of the shares in Cheer Success from King Able was determined based on normal commercial negotiations at arm's length between the parties, after taking into consideration of, among other things, our Group's track record, comparables, market conditions, assessment of management capability as well as our Group's expected consolidated net profits for the financial year of 2010. The consideration of US\$15 million was settled on the completion date of the Investment Agreement on 2 March 2010.

Pursuant to the Investment Agreement, King Able undertakes that (i) in the event that the consolidated net profits (after tax and non-controlling interest) of our Group as set out in the audited consolidated accounts of our Group in respect of the financial year of 2010 fall under RMB170 million, King Able and its shareholders, who are Mr. Qian Yixiang and Ms. Jia Lingxia, as guarantors (the “**Guarantors**”) shall pay Silver Crest for the shortfall in cash in accordance with the terms of the Investment Agreement; and (ii) in the event that the valuation of the Listing falls under RMB2.3 billion (with reference to the bank buy currency exchange rate as quoted on The People's Bank of China as at the closing of trading on the Listing Date), the Guarantors shall compensate Silver Crest for the shortfall by payment in cash.

Silver Crest will hold 6% of the issued share capital of our Company upon Listing and Silver Crest has agreed that it will not sell the Shares held by it within 6 months from the date of Listing.

For more details regarding Silver Crest's investment, please refer to the paragraph headed “Silver Crest's Investment” in the section headed “History and Reorganisation” of this prospectus.

PROFIT FORECAST

On the bases and assumption set out in Appendix III to this prospectus, and in the absence of unforeseen circumstances, we forecast that our combined profit attributable to the equity Shareholders for the year ending 31 December 2010 is expected to be not less than RMB180 million.

The profit forecast is prepared on the basis of accounting policies consistent in all material respects with those currently adopted by us as described in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

SHARE OFFER STATISTICS

	<u>Based on the Offer Price of HK\$4.38</u>	<u>Based on the Offer Price of HK\$6.38</u>
Expected market capitalisation (<i>Note</i>)	HK\$3,285 million	HK\$4,785 million
Unaudited pro forma adjusted net tangible assets per Share	RMB1.11	RMB1.53

Note: The market capitalisation of our Company is calculated based on the minimum and maximum Offer Price and a total of 750,000,000 Shares in issue and to be issued immediately after completion of the Global Offering. Such number of Shares does not take into account any Shares which may fall to be allotted and issued pursuant to the Over-allotment Option and any options which may be granted under the Share Option Scheme.

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USE OF PROCEEDS

We estimate that the aggregate net proceeds to us from the Global Offering (after deducting underwriting fees and estimated expenses payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised), assuming an Offer Price of HK\$5.38 per Share, being the mid-point of the proposed Offer Price range of HK\$4.38 to HK\$6.38 per Share, will be approximately HK\$917.8 million. We currently intend to apply these net proceeds for the following purposes:

- approximately HK\$229.5 million (approximately 25% of the net proceeds payable to our Company) for setting up and starting up the operation of new production facilities or potential acquisitions of companies in the electrical distribution business for the purposes of expanding our upstream component production capability. We do not, however, currently have any specific acquisition target;
- approximately HK\$321.2 million (approximately 35% of the net proceeds payable to our Company) for setting up new companies or acquisitions of companies in the electrical distribution business to expand our downstream sales channel and market segment in China. We do not, however, currently have any specific acquisition target;
- approximately HK\$137.7 million (approximately 15% of the net proceeds payable to our Company) for paying the outstanding balance of the consideration in relation to the construction and completion of our new plant situated in Zhenbei Village, Qunsheng Village, Luoshe Town, Huishan District, Wuxi City (無錫市惠山區洛社鎮鎮北村、群勝村);
- approximately HK\$73.4 million (approximately 8% of the net proceeds payable to our Company) for the purchase of equipment to be installed in the aforementioned new plant situated in Zhenbei Village, Qunsheng Village, Luoshe Town, Huishan District, Wuxi City (無錫市惠山區洛社鎮鎮北村、群勝村) for the purpose of expanding our production capacity;
- approximately HK\$64.2 million (approximately 7% of the net proceeds payable to our Company) for the purchase of equipment and software, for the purpose of collating a wider scope of performance data of our customers' electrical distribution systems on an ongoing basis, thus enabling us to further improve our capabilities in providing more efficient EE Solutions; and
- approximately HK\$91.8 million (equivalent to 10% of the net proceeds payable to our Company) for funding of our working capital and other general corporate purposes.

In the event that the Offer Price is fixed at the highest end of the proposed Offer Price range, the net proceeds from the Global Offering to us will be approximately HK\$1,097.8 million (assuming an Offer Price of HK\$6.38 per Share). In the event that the Offer Price is fixed at the lowest end of the proposed Offer Price range, the net proceeds of the Global Offering to us will be approximately HK\$737.8 million (assuming an Offer Price of HK\$4.38 per Share). We will adjust the allocation of the net proceeds for the aforementioned purposes on a pro rata basis.

To the extent that the net proceeds from the issue of new Shares are not sufficient to fund the uses set forth above, we intend to fund the balance through a variety of means including cash generated from our operations and bank financing. We currently believe that the net proceeds from the issue of the new Shares, when combined with such alternate sources of financing, are sufficient for the uses set forth above.

If the Over-allotment Option is exercised in full, we estimate we would receive net proceeds in the amount of approximately HK\$856.0 million (assuming an Offer Price of HK\$4.38 per Share, being the lowest end of the proposed Offer Price range), approximately HK\$1,063.0 million (assuming an Offer Price of HK\$5.38 per Share, being the mid-point of the proposed Offer Price range) and approximately HK\$1,270.0 million (assuming an Offer Price of HK\$6.38 per Share, being the highest end of the proposed Offer Price range) which we intend to apply as additional funding for the purposes above on a pro-rata basis.

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To the extent that the net proceeds of the Global Offering are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit them in short-term demand deposits and/or money market instruments.

DIVIDEND POLICY

Dividends may be paid out of our distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such profits will not be available to be reinvested in our operations. There can be no assurance that we will be able to declare or distribute any dividend in the amount set out in any of our plans or at all. Our dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by us in the future.

A decision to declare or to pay any dividends in the future, and the amount of any dividends, depend on a number of factors, including our results of operations, financial condition, the payments by our subsidiaries of cash dividends to us, future prospects and other factors that our Directors may consider important.

Subject to the factors described above, we currently intend to recommend a distribution to all Shareholders in an amount representing not less than 25% of the distributable net profit attributable to the equity Shareholders of our Company in each of the financial years following the Global Offering. Cash dividends on the Shares, if any, will be paid in Hong Kong dollars. Other distributions, if any, will be paid to the Shareholders by any means which our Directors consider appropriate.

RISK FACTORS

There are numerous risks involved in our operations. These risks can be categorised into (i) risks relating to our businesses and industries in which we operate; (ii) risks relating to the PRC; and (iii) risks relating to the Global Offering. A detailed discussion of the risk factors are set forth in the section headed “Risk Factors” in this prospectus. The following is a list of the risk factors:

Risks relating to our business and industry in which we operate

- Termination of our business relationship with Schneider will affect our competitiveness.
- We rely on the authorisation arrangements with Schneider and ABB to generate a significant portion of our revenue.
- We may not be able to secure projects in the future.
- We are dependent on the contribution of our key management personnel.
- We are dependent on the contribution of our skilled workforce.
- Our future plans may not achieve the intended economic benefits.
- The constraints of our manufacturing capabilities will be detrimental to the prospect of our business.
- We may face intense competition in markets for our business segments if an increasing number of domestic competitors enter into the high-end markets.
- We may face delays in payments by our customers.
- Compliance with more stringent regulations may have negative effect on our operations.

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- We may not be able to obtain the legally required certification for our products.
- Potential competition may arise between our business and the business of Shanghai Boer.
- We may not be able to adequately protect our intellectual property rights.
- The failure of our operating subsidiaries to pay us dividends would negatively affect our earnings.
- Our Controlling Shareholders may affect our businesses in ways that may not be in the best interests of other Shareholders.
- The drop in energy demand and deterioration of the electricity market in China will affect our business.

Risks relating to the PRC

- Changes in the economic, political and social conditions in China and policies adopted by the PRC government may adversely affect our business, growth strategies, operating results and financial conditions.
- Uncertainty in the PRC legal system may make it difficult for us to predict the outcome of any disputes that we may be involved in.
- PRC laws concerning the accumulation of statutory reserves will affect our ability to pay dividends.
- We may be subject to exchange control restrictions in China in relation to our revenues in China.
- Recent PRC regulations relating to acquisition of PRC companies by foreign entities may limit our ability to acquire PRC companies.
- Our Company and our offshore holding companies may be treated as resident enterprises for PRC tax purposes under the new enterprise income tax law, which could result in the imposition of 25% PRC enterprise income tax payable on our taxable global income.
- Dividends payable by us to our foreign investors and gains on the sales of our Shares may become subject to withholding tax under PRC tax laws.
- It may be difficult to effect service of process on, or to enforce any judgments obtained outside China against, our Directors or our senior management members who reside in China.
- Natural disasters, acts of war, political unrest and epidemics, which are beyond our control, may cause damage, loss or disruption to our business.
- Any change in tax rate in China may have a negative impact on our results of operations.

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Risks relating to the Global Offering

- There has been no prior public market for our Shares and an active or liquid trading market for our Shares may not develop.
- The trading price of our Shares may be volatile.
- Purchasers of our Shares in the Global Offering will experience immediate dilution and may experience dilution if we issue additional Shares in the future.
- Our Directors, officers and existing Shareholders may sell, or be perceived to sell, our Shares in the future and this may adversely affect the value of your investment.
- The industry information from official government publications contained in this prospectus should not be unduly relied upon.
- Forward-looking statements contained in this prospectus are subject to risks and uncertainties.
- You should not rely on any information contained in the press articles or other media regarding our Company and the Global Offering.