



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

# 2013

## INTERIM REPORT



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### *Executive Directors*

Mr. Qian Yixiang (*Chairman and Chief Executive Officer*)  
Ms. Jia Lingxia  
Mr. Zha Saibin  
Mr. Qian Zhongming  
Mr. Huang Liang

### *Non-executive Director*

Mr. Zhang Huaqiao

### *Independent Non-executive Directors*

Mr. Yeung Chi Tat  
Mr. Tang Jianrong  
Mr. Zhao Jianfeng

## AUDIT COMMITTEE

Mr. Yeung Chi Tat (*Chairman*)  
Mr. Tang Jianrong  
Mr. Zhao Jianfeng  
Mr. Zhang Huaqiao

## REMUNERATION COMMITTEE

Mr. Yeung Chi Tat (*Chairman*)  
Mr. Tang Jianrong  
Mr. Zhao Jianfeng  
Mr. Qian Yixiang  
Ms. Jia Lingxia

## NOMINATION COMMITTEE

Mr. Yeung Chi Tat (*Chairman*)  
Mr. Tang Jianrong  
Mr. Zhao Jianfeng  
Mr. Qian Yixiang  
Ms. Jia Lingxia

## COMPANY SECRETARY

Ms. Kwok Yuk Chun

## AUTHORISED REPRESENTATIVES

Ms. Jia Lingxia  
Ms. Kwok Yuk Chun

## AUDITOR

KPMG

## LEGAL ADVISER

Stephenson Harwood

## INVESTOR AND MEDIA RELATIONS CONSULTANT

Ketchum Newscan Public Relations Ltd.

## REGISTERED OFFICE

Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

## HEADQUARTERS AND HEAD OFFICE IN THE PRC

Luoyang Road  
Yangshi Industrial Park  
Huishan District  
Wuxi City  
Jiangsu Province  
PRC

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit No. 1805  
18/F, Infinitus Plaza  
No. 199 Des Voeux Road Central  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Appleby Trust (Cayman) Ltd.  
Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

## HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

## COMPANY'S WEBSITE

[www.boerpower.com](http://www.boerpower.com)

## CHAIRMAN'S STATEMENT

On behalf of the Board, I am pleased to report to all shareholders the interim results of Boer Power Holdings Limited ("Boer Power") and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2013.

The Group's strategy of focusing on the development of Intelligent Electrical Distribution System Solutions ("iEDS Solutions") and Energy Efficiency Solutions has resulted in smooth progress in both segments, thus paving a solid path for Boer Power to establish its position in the high-end market. The Group was selected by Macquarie as one of the twelve "Beautiful China" listed companies in February this year, reflecting the high level of emphasis being placed by the capital market on the development of China's energy saving and emission reduction, and also the recognition of the Group's business strategy and development potential.

In the first half of 2013, the Group actively seized business opportunities arising from its swift business development, particularly in the fields of data centers, telecommunication and railway transit, working with a number of well-known companies such as China Unicom, Centrin Data Systems, Global Data Solutions and Chengdu Metro under different forms of cooperation.

With adherence to our philosophy of "customer orientation" where we promptly react to the demands from customers by meeting customers' needs and expectations, together with our pioneering spirit and efforts to constantly strive for higher standards of excellence, Boer Power has launched a wide variety of products and solutions in different areas. In particular, with our self-developed "iCloud" Intelligent Electrical Distribution Management System, Energy Post Electrical Vehicle Intelligent Charging System, PT60, PMW200, PMW2900 series of functional power-monitoring meters and Data House Intelligent Solutions, we have brought great contribution to customers from the intelligent architect, environment and resources conservation sectors. Since its introduction in 2012, the "iCloud" system has been performing well in the field of intelligent architect by enabling customers to successfully achieve their management goals of safety, energy efficiency and centralised power consumption.

Further to "2012 Year of Products", the Group defines this year as the "Year of Market Exploration". We will take proactive efforts on marketing of the green concept of Boer's products among customers via different promotional channels and platforms, so as to offer our customers with the experience on sharing highly-efficient power consumption. In the first half of the year, the Group participated in over 35 exhibitions and technology seminars, including the 10th International Exhibition of Transmission & Distribution and Electrical Engineering for the ASEAN region, the 10th International Exposition on Power Transmission and Distribution Power Electrical Appliances and Equipments, China International Room Equipment Exhibition 2013 and the 9th China International Rail Transit Technology Exhibition. The coverage of our existing sales network widely spans across 36 provinces and cities in China.

Boer Power has been actively involved in the construction of public infrastructures in the communities, such as the provision of iEDS Solutions and control system solutions for the project of Hohhot Jinqiao Sewage Plant and pipeline network, the provision of special iEDS Solutions for CNPC's offshore platform. The Group also cooperated with Yingli Group in relation to the provision of iEDS Solutions for its national key laboratory of solar photovoltaic (PV) power generation technology.

The Group endeavours to reinforce our brand mix through acquisitions, while enhancing our in-house research and development capabilities. Since the establishment of Sydenham brand in 2011, the Group has further advanced into the overseas market. In late May of this year, the Group has acquired the intangible assets of Grupo De Empresas Temper, S.L. in Spain and has added the "Temper" brand after such acquisition. The acquisition represented a good opportunity for the Group to further its core strengths in the aspect of its electronic component technologies and to expand its sales channels in European countries.

## CHAIRMAN'S STATEMENT *(continued)*

Looking ahead towards the second half of the year, with Boer Power's three decades of business expertise in the electronics market, its well-respected product quality and full range of after-sales service, our customer-led business strategy will continue to serve us well in realizing our goal of developing a "Priceless Boer".

Lastly, on behalf of Boer Power, I would like to express my gratitude towards the Board and all our staff for their contribution and devotion to the Group. It is my belief that with unwavering commitment and dedication, we can spare our efforts to meet the challenges ahead and take Boer Power's business to new heights, so as to reward our customers, investors and shareholders with more prominent results in return for their enduring support towards the Group.

**Qian Yixiang**  
*Chairman*

26 August 2013



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013 – unaudited

(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2013 RMB'000	2012 RMB'000
<b>Turnover</b>	4	<b>511,300</b>	443,929
Cost of sales		<b>(306,740)</b>	(273,209)
<b>Gross profit</b>		<b>204,560</b>	170,720
Other revenue	5	<b>36,442</b>	15,073
Gain on acquisition of a subsidiary		–	807
Selling and distribution expenses		<b>(25,131)</b>	(21,205)
Administrative expenses		<b>(68,611)</b>	(45,273)
<b>Profit from operations</b>		<b>147,260</b>	120,122
Finance costs	6(a)	<b>(4,394)</b>	(352)
<b>Profit before taxation</b>	6	<b>142,866</b>	119,770
Income tax	7	<b>(12,024)</b>	(19,775)
<b>Profit for the period</b>		<b>130,842</b>	99,995
<b>Other comprehensive income for the period</b>			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of operations outside mainland China		<b>(432)</b>	378
<b>Total comprehensive income for the period</b>		<b>130,410</b>	100,373
<b>Earnings per share</b>			
Basic and diluted (RMB cents)	8	<b>17.18</b>	13.08

The notes on pages 9 to 16 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2013 – unaudited  
(Expressed in Renminbi)

	Note	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	9	218,905	227,410
Construction in progress		348	180
Intangible assets		10,300	15,507
Lease prepayments		78,881	63,039
Prepayments for purchase of equipment and acquisition of land use right		200	5,887
Deferred tax assets		4,222	2,811
		<b>312,856</b>	314,834
<b>Current assets</b>			
Inventories		77,868	73,688
Trade and other receivables	10	1,338,419	1,101,689
Pledged deposits		135,012	27,101
Available-for-sale investments	11	340,000	245,000
Time deposits with original maturity over three months		142,033	249,442
Cash and cash equivalents	12	315,406	382,007
		<b>2,348,738</b>	2,078,927
<b>Current liabilities</b>			
Bank loans	13	248,499	–
Trade and other payables	14	655,992	638,035
Current taxation		11,418	12,111
		<b>915,909</b>	650,146
<b>Net current assets</b>		<b>1,432,829</b>	1,428,781
<b>Total assets less current liabilities</b>		<b>1,745,685</b>	1,743,615

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 30 June 2013 – unaudited  
(Expressed in Renminbi)

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Note		
<b>Non-current liabilities</b>		
Deferred tax liabilities	5,434	5,968
<b>NET ASSETS</b>	<b>1,740,251</b>	<b>1,737,647</b>
<b>CAPITAL AND RESERVES</b>		
Share capital	66,241	66,241
Reserves	1,674,010	1,671,406
<b>TOTAL EQUITY</b>	<b>1,740,251</b>	<b>1,737,647</b>

The notes on pages 9 to 16 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2013 – unaudited

(Expressed in Renminbi)

	Share capital	Shares held for share award	Share premium	Employee share-based compensation reserve	Statutory reserve	Capital reserve	Capital redemption reserve	Exchange reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2012	66,241	(31,803)	951,443	(6,200)	55,345	21,436	141	(24,055)	479,789	1,512,337
Dividends approved in respect of the previous year	-	-	(62,660)	-	-	-	-	-	-	(62,660)
Total comprehensive income for the period	-	-	-	-	-	-	-	378	99,995	100,373
Shares purchased for share award scheme	-	(1,764)	-	-	-	-	-	-	-	(1,764)
Balance at 30 June 2012	66,241	(33,567)	888,783	(6,200)	55,345	21,436	141	(23,677)	579,784	1,548,286
Balance at 1 January 2013	66,241	(33,567)	888,783	(6,200)	86,808	21,436	141	(28,462)	742,467	1,737,647
Appropriation to statutory reserve	-	-	-	-	16,129	-	-	-	(16,129)	-
Dividends approved in respect of the previous year	-	-	(71,660)	-	-	-	-	-	-	(71,660)
Total comprehensive income for the period	-	-	-	-	-	-	-	(432)	130,842	130,410
Shares purchased for share award scheme	-	(56,146)	-	-	-	-	-	-	-	(56,146)
Balance at 30 June 2013	66,241	(89,713)	817,123	(6,200)	102,937	21,436	141	(28,894)	857,180	1,740,251

The notes on pages 9 to 16 form part of this interim financial report.



# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2013 – unaudited  
(Expressed in Renminbi)

	Note	Six months ended 30 June	
		2013 RMB'000	2012 RMB'000
Net cash used in operating activities		<b>(65,551)</b>	(20,521)
Net cash used in investing activities		<b>(115,438)</b>	(422,247)
Net cash generated from/(used in) financing activities		<b>116,305</b>	(103,163)
Net decrease in cash and cash equivalents		<b>(64,684)</b>	(545,931)
Cash and cash equivalents at beginning of period	12	<b>382,007</b>	652,810
Effects of foreign exchange rate changes		<b>(1,917)</b>	84
Cash and cash equivalents at end of period	12	<b>315,406</b>	106,963

The notes on pages 9 to 16 form part of this interim financial report.

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

## 1. GENERAL INFORMATION

Boer Power Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 12 February 2010 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries (together referred to as the “Group”) are principally engaged in design, manufacture and sale of electrical distribution equipment, and provision of electrical distribution systems solution services in the People’s Republic of China (the “PRC”).

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 20 October 2010.

## 2. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 26 August 2013.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2012 annual financial statements.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2012 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors (the “Board”) is included on page 17.

The financial information relating to the financial year ended 31 December 2012 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2012 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 26 March 2013.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Renminbi unless otherwise indicated)

### 3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. None of these developments are relevant to the Group's current financial statements and the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 4. TURNOVER AND SEGMENT REPORTING

The principal activities of the Group are design, manufacture and sale of electrical distribution equipment, and provision of electrical distribution systems solution services in the PRC.

Turnover represents the sales value of goods and services sold less returns, discounts and value added taxes.

Segment information is presented in respect of the Group's business segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

The Group has four separate segments:

- Electrical Distribution System Solutions (“EDS Solutions”);
- Intelligent Electrical Distribution System Solutions (“iEDS Solutions”);
- Energy Efficiency Solutions (“EE Solutions”); and
- Components and Spare Parts Business (“CSP Business”).

In presenting the information on the basis of business segments, segment turnover and results are based on the turnover and gross profits of EDS Solutions, iEDS Solutions, EE Solutions and CSP Business.

	<b>EDS Solutions</b> RMB'000	<b>iEDS Solutions</b> RMB'000	<b>EE Solutions</b> RMB'000	<b>CSP Business</b> RMB'000	<b>Total</b> RMB'000
<b>Six months ended 30 June 2013</b>					
Turnover	<b>6,967</b>	<b>271,067</b>	<b>141,364</b>	<b>91,902</b>	<b>511,300</b>
Cost of sales	<b>(4,822)</b>	<b>(159,805)</b>	<b>(70,521)</b>	<b>(71,592)</b>	<b>(306,740)</b>
<b>Gross profit</b>	<b>2,145</b>	<b>111,262</b>	<b>70,843</b>	<b>20,310</b>	<b>204,560</b>
<b>Six months ended 30 June 2012</b>					
Turnover	7,525	267,653	75,269	93,482	443,929
Cost of sales	(5,143)	(165,273)	(36,453)	(66,340)	(273,209)
<b>Gross profit</b>	<b>2,382</b>	<b>102,380</b>	<b>38,816</b>	<b>27,142</b>	<b>170,720</b>

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Renminbi unless otherwise indicated)

### 5. OTHER REVENUE

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Interest income from financial institutions	5,053	12,114
Investment income	2,963	1,042
Government grants	27,446	1,435
Others	980	482
	<b>36,442</b>	<b>15,073</b>

### 6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
(a) Finance costs:		
Interest on bank borrowings	4,394	352
(b) Staff costs:		
Contributions to defined contribution retirement plans	3,325	2,729
Salaries, wages and other benefits	38,568	30,969
	<b>41,893</b>	<b>33,698</b>
(c) Other items:		
Amortisation of intangible assets	1,702	1,619
Amortisation of lease prepayments	784	368
Depreciation	10,219	8,590
Impairment losses for trade receivables	4,611	1,227
Impairment losses for intangible assets	5,500	–
Operating lease charges in respect of properties	1,579	1,214
Research and development costs (other than staff costs)	16,735	14,492
Loss on disposal of property, plant and equipment	9	–
Net foreign exchange losses/(gains)	1,485	(1,432)
Cost of inventories <sup>#</sup>	306,740	273,209

<sup>#</sup> Cost of inventories includes RMB21,884,000 (six months ended 30 June 2012: RMB17,475,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges, which amount is also included in the respective total amounts disclosed separately above or in notes 6(b) and (c) for each of these types of expenses.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Renminbi unless otherwise indicated)

### 7. INCOME TAX

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
<b>Current tax</b>		
Provision for PRC income tax	11,863	20,061
Withholding tax	2,106	–
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(1,945)	(286)
	<b>12,024</b>	<b>19,775</b>

Notes:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) No provision has been made for Hong Kong Profits Tax as the Group did not earn any income subject to Hong Kong Profits Tax during each of the six months ended 30 June 2013 and 2012.
- (iii) PRC income tax

Pursuant to the PRC Corporate Income Tax Law and its implementation, provision for PRC income tax of the Group is calculated based on the statutory income tax rate of 25% except for (a) Boer (Wuxi) Power System Co., Ltd., Boer (Yixing) Power System Co., Ltd.\* (“博耳(宜興)電力成套有限公司”) and Shanghai Electrical Apparatus Research Institute Switch Apparatus Co., Ltd.\* (“上海電科博耳電器開關有限公司”), which are qualified as High and New Technology Enterprises, and are therefore entitled to a preferential tax rate of 15%; and (b) Boer (Wuxi) Software Technology Limited\* (“博耳(無錫)軟件科技有限公司”) which is a qualified Software Enterprise and is therefore exempted from corporate income tax.

- (iv) Withholding tax

Withholding tax mainly represented taxes levied on the Hong Kong subsidiary in respect of dividends received from a subsidiary in mainland China.

\* The English translation of the company names is for reference only. The official names of these companies are in Chinese.

### 8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB130,842,000 (six months ended 30 June 2012: RMB99,995,000) and the weighted average of 761,677,000 ordinary shares (2012: 764,667,000 ordinary shares) in issue during the interim period.

There were no dilutive potential ordinary shares during each of the six months ended 30 June 2013 and 2012, and therefore, diluted earnings per share is the same as the basic earnings per share.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Renminbi unless otherwise indicated)

### 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group acquired items of property, plant and equipment with a cost of RMB1,738,000 (six months ended 30 June 2012: RMB5,376,000).

As at 30 June 2013, the Group was in the process of obtaining the property ownership certificates in respect of certain properties located in the PRC with net book values of RMB113,700,000 (31 December 2012: RMB116,157,000).

### 10. TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables, retention receivables and bills receivable (which are included in trade and other receivables), based on date of revenue recognition, and net of allowance for doubtful debts, is as follows:

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Current	1,011,179	797,113
Less than 3 months past due	48,371	76,900
More than 3 months but less than 6 months past due	85,864	77,026
More than 6 months but less than 1 year past due	88,746	55,745
More than 1 year past due	32,903	27,588
Trade receivables and bills receivable, net of allowance for doubtful debts	1,267,063	1,034,372
Prepayment, deposits and other receivables	71,356	67,317
	<b>1,338,419</b>	1,101,689

All of the trade and other receivables except for retentions held by customers of RMB173,782,000 (2012: RMB156,872,000) are expected to be recovered or realised within one year.

At 30 June 2013, the Group's trade receivables of RMB10,363,000 (2012: RMB5,752,000) was individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. The Group does not hold any collateral over these balances.

As at 23 August 2013, the Group received over RMB103,350,000 from customers for settlement of outstanding trade receivables at 30 June 2013.

### 11. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments represented cost of unlisted wealth management products issued by banks in the PRC.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Renminbi unless otherwise indicated)

### 12. CASH AND CASH EQUIVALENTS

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Time deposits with original maturity within three months	30,826	80,000
Cash at bank and in hand	284,580	302,007
Cash and cash equivalents in the consolidated statement of financial position and condensed consolidated cash flow statement	315,406	382,007

### 13. BANK LOANS

At 30 June 2013, all of the bank loans were repayable within one year with effective interest rates from 1.2% to 6.0% per annum and were secured by the following:

- (i) Bank deposits of RMB106,500,000;
- (ii) Guarantee of RMB60,000,000 provided by a subsidiary in the Group;
- (iii) Personal guarantee of RMB60,000,000 provided by the Executive Directors, Mr. Qian Yixiang and Ms. Jia Lingxia (see note 18(a)(i)); and
- (iv) Available-for-sale investments with principal guarantee of RMB34,000,000.

### 14. TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade payables and bills payable (which are included in trade and other payables), is as follows:

	At 30 June 2013 RMB'000	At 31 December 2012 RMB'000
Due within 1 month or on demand	590,810	549,914
Due after 1 month but within 3 months	24,309	25,885
Due after 3 months but within 6 months	1,248	1,633
Trade payables and bills payable	616,367	577,432
Receipts in advance	7,750	9,231
Other payables and accruals	31,875	51,372
	655,992	638,035

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Renminbi unless otherwise indicated)

### 15. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period, of HK12 cents per share amounted to RMB71,660,000 (six months ended 30 June 2012: RMB62,660,000).

### 16. CONCENTRATION OF SUPPLIERS

The Group has a certain concentration of suppliers as 36.7% (six months ended 30 June 2012: 24.3%) of the total raw materials were purchased from a single supplier for the six months ended 30 June 2013. Should this supplier fail to deliver in a timely manner, delays or disruptions in the supply and delivery of the Group's products could result. On the other hand, the Group is an authorised system integrator of this supplier. Should the Group be unable to renew the licence as an authorised system integrator, the Group may lose a significant portion of its business.

### 17. CAPITAL COMMITMENTS

Capital commitments of the Group in respect of property, plant and equipment outstanding at 30 June 2013 not provided for in the interim financial report were as follows:

	<b>At 30 June 2013 RMB'000</b>	<b>At 31 December 2012 RMB'000</b>
Authorised but not contracted for	<b>168,750</b>	187,280



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Renminbi unless otherwise indicated)

### 18. MATERIAL RELATED PARTY TRANSACTIONS

(a) Related party transactions

The Group had the following significant transactions with related parties:

- (i) Mr. Qian Yixiang and Ms. Jia Lingxia, the controlling shareholders and Directors of the Group, provided financial guarantee for bank loans obtained during the period (see note 13(iii)) (six months ended 30 June 2012: Nil); and
- (ii) The Company purchased 3,000,000 ordinary shares from King Able Limited, the immediate parent of the Group which is owned as to 50% by Mr. Qian Yixiang and 50% by Ms. Jia Lingxia, at a total consideration of RMB12,569,000 for the share awarded scheme (six months ended 30 June 2012: Nil).

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	Six months ended 30 June	
	2013	2012
	RMB'000	RMB'000
Short-term employee benefits	3,183	4,193
Contributions to defined contribution retirement plans	107	210
	<b>3,290</b>	4,403

# REVIEW REPORT



## TO THE BOARD OF DIRECTORS OF BOER POWER HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

### INTRODUCTION

We have reviewed the interim financial report set out on pages 4 to 16, which comprise the consolidated statement of financial position of Boer Power Holdings Limited as of 30 June 2013, the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2013 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

#### KPMG

*Certified Public Accountants*  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

26 August 2013

# MANAGEMENT DISCUSSION AND ANALYSIS

## MARKET REVIEW

In the first half of 2013, the global economy showed signs of upturn, yet the road to economic recovery still remains challenging. China's economic growth was maintained at a steady pace, with the gross domestic product reaching RMB24.8 trillion in the first half of the year, representing an increase of 7.6% over the same period last year. The fixed asset investment increased by 23.4% to RMB11.6 trillion. Power generation volume of main products in the industrial segment maintained a relatively rapid growth momentum, as reflected from the increase in the power generation volume of 4.4% to 2.4 trillion kWh during the first half of the year. China's economic growth and increasing urbanization will bring new opportunities for the electricity consumption market.

## BUSINESS REVIEW

The Group has four business segments:

- Electrical Distribution System Solutions (“EDS Solutions”);
- Intelligent Electrical Distribution System Solutions (“iEDS Solutions”);
- Energy Efficiency Solutions (“EE Solutions”); and
- Components and Spare Parts Business (“CSP Business”).

During the six months ended 30 June 2013, the Group performed well overall. In particular, EE Solutions recorded sound performance. While stepping up efforts to promote its products and solutions among customers from various sectors via different marketing channels, the Group also took active steps to seek out and explore new business opportunities with the existing and potential customers. The Group has successfully carried out overseas acquisition projects and strengthened its technical development capabilities in order to seize business opportunities arising from the intelligent electrical distribution system market within and outside China and to lift its competitive edges at the same time.

In the first half of 2013, the Group vigorously strived for further development in the high-end market by reaching out to new customers with the offering of a wide array of new products and value-added services. The Group defines the current year as “Year of Market Exploration”, endeavouring to promote the green concept of Boer's products to the public through various marketing channels and platforms. The Group will also establish a better built sales structure in new business regions, in order to develop a more distinctive brand image and carve out a leading niche in the market.

As at 30 June 2013, the Group's outstanding contract backlog amounted to approximately RMB1,280.6 million, which comprises of iEDS Solutions, EE Solutions and CSP Business segment contracts, mainly from customers in industries of data centers, telecommunication and railway transit. Most of the outstanding contract backlog is expected to be completed by the end of this year.

The total turnover of the Group amounted to RMB511,300,000 for the six months ended 30 June 2013, representing an increase of 15.2% as compared to that of 2012. The increase in turnover was mainly a result of the increase in market demand for the Group's solutions and products and the expansion of sales network.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### BUSINESS REVIEW (continued)

The total profit attributable to the equity shareholders of the Company amounted to RMB130,842,000 for the six months ended 30 June 2013, representing an increase of 30.8% as compared to that of 2012. Excluding non-operational contributions from “Other revenue” and “Gain on acquisition of a subsidiary”, the profit attributable to the equity shareholders of the Company amounted to approximately RMB94,400,000 for the six months ended 30 June 2013, representing an increase of 12.2% as compared to that of 2012. The increase in profit from operations of the Group was mainly due to the substantial increase in revenue contribution from the EE Solutions business segment.

As at 30 June 2013, the total assets of the Group were RMB2,661,594,000 (31 December 2012: RMB2,393,761,000) while the total liabilities were RMB921,343,000 (31 December 2012: RMB656,114,000) and the total equity of the Group amounted to RMB1,740,251,000 (31 December 2012: RMB1,737,647,000).

### OPERATION AND FINANCIAL REVIEW

Other than EDS Solutions, the other business segments performed well and in particular, sound performance and significant growth was recorded for EE Solutions during the period.

#### EDS Solutions

Electrical distribution system lies between grid and end users to distribute electricity at a converted voltage for end users. The Group provides integrated electrical distribution systems and solutions, designs dedicated electrical distribution systems according to customers’ operating requirements, and provides matching medium- and low-voltage electrical distribution equipment.

The total sales of EDS Solutions of the Group for the six months ended 30 June 2013 amounted to RMB6,967,000 (2012: RMB7,525,000), representing 1.4% (2012: 1.7%) of the Group’s total turnover during the period. The reportable gross profit of this business segment during the period was RMB2,145,000 (2012: RMB2,382,000), representing a decrease of 9.9% as compared to that of 2012.

The gross profit margin of EDS Solutions segment decreased slightly from 31.7% for 2012 to 30.8% for the period.

#### iEDS Solutions

On top of EDS Solutions, the Group also provides electrical distribution systems with automation features, such as automatic data acquisition and analysis, remote control and automated diagnosis, through which the users can remotely control their electrical distribution systems and analyse the operating status. These functions are useful and important to the users who require more stable and safer electrical distribution systems, such as data centers, telecommunication and medical services industries.

The total sales of iEDS Solutions of the Group for the six months ended 30 June 2013 was RMB271,067,000 (2012: RMB267,653,000), which accounted for approximately 53.0% (2012: 60.3%) of the Group’s total turnover during the period. The reportable gross profit of this business segment was RMB111,262,000 (2012: RMB102,380,000), representing an increase of 8.7% as compared to that of 2012.

The gross profit margin of iEDS Solutions segment increased from 38.3% for 2012 to 41.0% for the period.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### OPERATION AND FINANCIAL REVIEW (continued)

#### EE Solutions

Based on the data collected by the electrical distribution systems using our iEDS Solutions, the Group can analyse and improve the safety, stability and efficiency of our customers' electrical distribution systems and provide equipment and systems to improve the energy efficiency of its customers' electrical distribution systems. EE Solutions services include the provision and maintenance of equipment and a number of other value-added services.

The total sales of EE Solutions of the Group for the six months ended 30 June 2013 was RMB141,364,000 (2012: RMB75,269,000), which accounted for approximately 27.6% (2012: 17.0%) of the Group's total turnover during the period. The substantial increase in the sales of EE Solutions was a result of increased marketing efforts in this business segment and also increasing demand from the customers to upgrade their electrical distribution system to increase electricity usage efficiency and reduce cost. The reportable gross profit of this business segment was RMB70,843,000 (2012: RMB38,816,000), representing an increase of 82.5% as compared to that of 2012.

The gross profit margin of EE Solutions segment decreased from 51.6% for 2012 to 50.1% for the period.

#### CSP Business

The Group also manufactures spare parts and components for electrical distribution equipment and systems and sells such spare parts and components to its customers.

The total sales of the CSP business of the Group for the six months ended 30 June 2013 was RMB91,902,000 (2012: RMB93,482,000), which accounted for approximately 18.0% (2012: 21.0%) of the Group's total turnover during the period. The reportable gross profit of this business segment was RMB20,310,000 (2012: RMB27,142,000), representing a decrease of 25.2% as compared to that of 2012.

The gross profit margin of CSP Business segment decreased from 29.0% for 2012 to 22.1% for the period due to pricing adjustments in the CSP market.

### PROSPECT

In light of higher requirements on safety and reliability standards of electricity supply along with China's rapid economic development, the electricity industry has higher demand for energy saving, emission reduction and environmentally-friendly features. Boer Power has been provided with a favorable platform for its development in view of the country's policy on energy conservation and the increasing trend on the use of green energy.

To accommodate for China's economic development, State Grid Corporation of China has unveiled its plans relating to the further acceleration of the construction of smart grids for the second half of the year. Among these plans, company-wide effort will be extended on the construction of major projects and the construction and renovation of distribution networks as well as the enhancement of the intelligence level of smart grids. According to the energy conservation analysis performed by National Development and Reform Commission ("NDRC") in the first half of 2013, NDRC points out the trend of energy-saving and emission reduction is of huge development potential and considers that the energy saving and environmental protection industry will be blessed with tremendous market demand and immense development potential should full efforts be put into promotion of energy saving and emission reduction. The Group considers that the expected solid rebound of the growth in China's electricity demand in 2013 will bring a mixture of opportunities and challenges for Boer Power.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### PROSPECT (continued)

In recent years, Boer Power has been committed to achieving higher standards of excellence for environmental protection technologies and equipment, and to expand its market share on energy saving and environmental protection products. The Group will offer its customers access to an entire range of environmental protection services and systems, in an effort to provide a more comprehensive range of products and services to customers. At the same time, the Group will continue adopting its focused business development strategy to establish a strong foundation in the high-end market. The Group will speed up its current pace of development by exploring new business opportunities in a wider array of industries and expanding its downstream sales channels. The Group will also seek for possible opportunities of mergers and acquisitions in different regions and strengthen its research and development abilities in all aspects which will enhance the core values of the Group. The Group will take on a brand new dimension of business goals by actively capturing opportunities in different industries.

### LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy liquidity position during the period under review. The Group was principally financed by internal resources. The Group's financial instruments comprises cash and cash equivalents, time deposits with original maturity over three months, available-for-sale investments, trade and other receivables, trade and other payables and bank loans. As at 30 June 2013, the cash and cash equivalents, net current assets and total assets less current liabilities were RMB315 million (31 December 2012: RMB382 million), RMB1,433 million (31 December 2012: RMB1,429 million) and RMB1,746 million (31 December 2012: RMB1,744 million), respectively. As at 30 June 2013, the Group had bank loans amounting to RMB248 million (31 December 2012: Nil).

Starting from the second half of last year, the Group began to adopt bank factoring of trade receivables due from selected customers with good credit record to better manage its cash flow and working capital resources.

### CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not have any contingent liabilities.

### FINANCIAL MANAGEMENT POLICIES

As the Group's principal activities are carried out in the PRC, the Group's transactions are mainly denominated in RMB, which is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through the People's Bank of China or other institutions authorised to buy and sell foreign exchange. The exchange rates adopted for the foreign exchange transactions are the rates of exchange quoted by the People's Bank of China that are determined largely by supply and demand.

The Group currently does not have a policy on foreign currency risk as it had minimal export sales and the impact of foreign currency risk on the Group's total sales is minimal.

### SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no significant investments held or material acquisitions and disposals during the six months ended 30 June 2013.

### EMPLOYEES AND REMUNERATION POLICY

The Group had 1,331 (31 December 2012: 1,294) employees as at 30 June 2013. The total staff costs for the period under review were approximately RMB42 million (six months ended 30 June 2012: RMB34 million). The remuneration policy was in line with the current legislation in the relevant jurisdictions, market conditions and performance of the staff and the Group.

# REPORT OF THE DIRECTORS

## SHARE OPTION SCHEME

The Company did not have any outstanding option at the beginning and at the end of the period. During the period, no options have been granted under the share option scheme adopted by the Company on 30 September 2010.

## SHARE AWARD SCHEME

The share award scheme was approved by the Board on 17 June 2011 (the “Adoption Date”). The total number of all shares purchased by the trustee under the scheme must not exceed 10% of the issued shares as at the Adoption Date (being 77,812,500 shares) unless the Board otherwise decides. The maximum number of shares which can be awarded to a selected employee under the share award scheme is limited to 1% of the issued share capital of the Company as at the Adoption Date.

During the period, the Company was informed by the trustee that it had purchased an aggregate of 13,000,000 shares of the Company’s existing shares on the market for the purpose of the scheme.

During the period, no shares were granted under the scheme.

## DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed above, at no time during the period was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors or the Chief Executives of the Company or any of their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## REPORT OF THE DIRECTORS (continued)

### DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

The Directors of the Company who held office at 30 June 2013 had the following interests in the shares of the Company, its holding company, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance (“SFO”)) at that date as recorded in the register of Directors’ and Chief Executives’ interests or short positions required to be kept under section 352 of the SFO:

	Capacity	Total number of ordinary shares held	% of total issued shares
<i>Long position in shares</i>			
<b>Directors</b>			
Mr. Qian Yixiang	Interest of controlled corporation	517,500,000 <sup>(i)</sup>	66.65
Ms. Jia Lingxia	Interest of controlled corporation	517,500,000 <sup>(i)</sup>	66.65
Mr. Zha Saibin	Beneficial owner	390,000	0.05
Mr. Huang Liang	Beneficial owner	2,000	0.00
Mr. Zhang Huaqiao	Beneficial owner	800,000	0.10

Note:

- (i) The 517,500,000 shares are owned by King Able Limited (“King Able”), a company owned as to 50% by Mr. Qian Yixiang, and 50% by Ms. Jia Lingxia.

Save as disclosed above, as at 30 June 2013, none of the Directors and Chief Executive of the Company held any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.



## REPORT OF THE DIRECTORS (continued)

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2013, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

	Capacity	Total number of ordinary shares held	% of total issued shares
<i>Long position in shares</i>			
<b>Substantial shareholders</b>			
Mr. Qian Yixiang	Interest of controlled corporation	517,500,000 <sup>(i)</sup>	66.65
Ms. Jia Lingxia	Interest of controlled corporation	517,500,000 <sup>(i)</sup>	66.65
King Able	Beneficial owner	517,500,000 <sup>(i)</sup>	66.65
The Capital Group Companies, Inc. Capital Research and Management Company	Interest of controlled corporation Beneficial owner	69,746,000 <sup>(ii)</sup> 41,370,000 <sup>(ii)</sup>	8.98 5.33

Notes:

- (i) The 517,500,000 shares are owned by King Able, a company owned as to 50% by Mr. Qian Yixiang, and 50% by Ms. Jia Lingxia.
- (ii) The Capital Group Companies, Inc. is deemed to have interests in 69,746,000 shares as the direct holding company of Capital Research and Management Company, which owned 41,370,000 shares of the Company, and Capital Group International, Inc., which is deemed to be interested in 28,376,000 shares of the Company as the direct holding company of Capital Guardian Trust Company, Capital International, Inc., Capital International Limited and Capital International Sarl, which owned 11,369,000, 3,758,000, 1,070,000 and 12,179,000 shares of the Company, respectively.

Save as disclosed above, as at 30 June 2013, the Company had not been notified of any interests and short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept pursuant to Section 336 of the SFO.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, except that the trustee of the share award scheme, pursuant to the terms of the rules and trust deed of the share award scheme, purchased on the Stock Exchange a total of 13,000,000 of the Shares at a total consideration of RMB56,146,000.

Save as disclosed above, neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the period.

## REPORT OF THE DIRECTORS (continued)

### UPDATED INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

Set out below are the changes and updated information of the senior management members:

MA Yuxin (“Mr. Ma”) was the Overseas Sales Director of the Group. As a result of the Group’s reorganisation, the Overseas Sales Department had been merged with the Strategic Development Department since June 2013, and Mr. Ma has been re-designated to the Strategic Development Department where he works under Ms. Zhang Jianqi.

LIU Gang (“Mr. Liu”), aged 38, is the Group’s newly appointed EPC Project Director. Mr. Liu is primarily responsible for leading the EPC Engineering Department to complete the planned construction works of the Company. Mr. Liu joined Boer Power in June 2013 as the EPC Project Director. Mr. Liu previously worked in China Eleventh Chemical Construction Co., Ltd. as Construction Manager from September 1995 to March 2003. He then served as the Head of Safety Evaluation Team in Henan Province Administration of Work Safety from April 2003 to February 2008. Prior to joining the Group, Mr. Liu was a Construction Director in Shanghai TJU Engineering Service Co., Ltd. from March 2008 to May 2013. Mr. Liu received a Bachelor’s degree in Civil Engineering from Henan University in 1995.

Save as disclosed above, as at 30 June 2013, there had not been any other changes to the Directors and senior management’s information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

### CORPORATE GOVERNANCE PRACTICES

The Company and its management are committed to maintain good corporate governance with an emphasis on the principles of transparency, accountability and independence to all shareholders. The Company believes that good corporate governance is an essence for a continual growth and enhancement of shareholders’ value. Throughout the period under review, the Company has applied the principles of and complied with most of the code provisions of the Corporate Governance Code and Corporate Governance Report (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) with the exception of code provisions A.2.1 and E.1.2 of the Code which are explained below. The Company periodically reviews its corporate governance practices with reference to the latest development of corporate governance.

#### Code provision A.2.1

Code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Qian Yixiang is the Chairman and the Chief Executive Officer of the Company. Such deviation from Code provision A.2.1 is deemed appropriate as it is considered to be more efficient to have one single person as the Chairman of the Company as well as to discharge the executive functions of a Chief Executive Officer, and it provides the Group with strong and consistent leadership in the development and execution of long term business strategies. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises highly experienced individuals. There are three Independent Non-Executive Directors on the Board. All of them possess adequate independence and therefore the Board considers the Company has achieved balance and provided sufficient protection of its interests.

#### Code provision E.1.2

Code provision E.1.2 stipulates that the Chairman of the Board should attend the Annual General Meeting. Mr. Qian Yixiang was unable to attend the 2012 AGM which was held on 30 May 2013 due to other business engagements. Mr. Qian Yixiang had appointed Mr. Huang Liang, an Executive Director, as his delegate to chair the 2012 AGM and to answer the questions from shareholders. The Chairman of the Audit, Nomination and Remuneration Committee, Mr. Yeung Chi Tat, was also available to answer questions at the 2012 AGM.

## REPORT OF THE DIRECTORS (continued)

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Director of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”) as the code for Directors’ securities transactions. Having made specific enquiries by the Company to all Directors, all the Directors have confirmed their compliance with the required standards set out in the Model Code during the six months ended 30 June 2013 regarding Directors’ securities transactions.

The Company has also established the Code for Securities Transactions by the Relevant Employees (the “Employees Code”) on no less exacting terms than the Model Code for securities transactions by the employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Code by the employees was noted by the Company throughout the six months ended 30 June 2013.

### AUDIT COMMITTEE

The Audit Committee of the Company has four members comprising of three Independent Non-Executive Directors, namely Mr. Yeung Chi Tat (Chairman of the Audit Committee), Mr. Tang Jianrong, Mr. Zhao Jianfeng and one Non-Executive Director, Mr. Zhang Huaqiao. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including a review of the unaudited interim financial information for the six months ended 30 June 2013 of the Group.

### PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The Company’s interim results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.boerpower.com](http://www.boerpower.com).

The interim report of the Company for period ended 30 June 2013 will be dispatched to the shareholders in due course.

### APPRECIATION

The Board of the Company would like to take this opportunity to thank our shareholders and business partners for their continuous support and the fellow Directors and our staff for their dedication and hard work.

### THE BOARD

As at the date of this report, the Directors of the Company are Mr. Qian Yixiang, Ms. Jia Lingxia, Mr. Zha Saibin, Mr. Qian Zhongming and Mr. Huang Liang as Executive Directors, Mr. Zhang Huaqiao as Non-Executive Director, Mr. Yeung Chi Tat, Mr. Tang Jianrong and Mr. Zhao Jianfeng as Independent Non-Executive Directors.

On behalf of the Board

**Qian Yixiang**  
*Chairman*

Hong Kong, 26 August 2013