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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

HIGHLIGHTS

- Turnover increased by 51.3% to approximately RMB2,048.4 million.
- Turnover from sales of Intelligent Electrical Distribution System Solutions increased by 26.5% to approximately RMB1,156.8 million which represented 56.5% of total turnover.
- Turnover from sales of Energy Efficiency Solutions increased by 191.2% to approximately RMB688.6 million which represented 33.6% of total turnover.
- Turnover from Components and Spare Parts Business increased by 0.2% to approximately RMB193.4 million which represented 9.4% of total turnover.
- Turnover from sales of Electrical Distribution System Solutions decreased by 2.8% to approximately RMB9.6 million which represented 0.5% of total turnover.
- Gross profit margin decreased slightly from 36.0% to 35.3%.
- Profit attributable to equity shareholders of the Company increased by approximately 33.0% to approximately RMB458.9 million.
- Both basic and diluted earnings per share were RMB61 cents (2013: RMB46 cents).
- The directors proposed to declare a final dividend of HK19 cents per ordinary share.
- As at 31 December 2014, the outstanding contract backlog amounted to approximately RMB2,511.4 million. Most of the outstanding contract backlog is expected to be completed in 2015.
- The 2015 target business growth rate is 30%.

The Board of Directors (the "Board") of Boer Power Holdings Limited (the "Company" or "Boer Power") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2014, together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Note	**2014** *RMB'000*	2013 *RMB'000*
Turnover	*4*	**2,048,454**	1,353,992
Cost of sales	*4*	**(1,326,018)**	(866,642)
Gross profit	*4*	**722,436**	487,350
Other revenue	*5*	**123,280**	83,291
Selling and distribution expenses		**(58,156)**	(54,289)
Administrative expenses		**(164,565)**	(146,698)
Profit from operations		**622,995**	369,654
Finance costs	*6(a)*	**(74,117)**	(7,760)
Profit before taxation	*6*	**548,878**	361,894
Income tax	*7*	**(94,394)**	(17,027)
Profit for the year		**454,484**	344,867
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of operations outside mainland China		**(2,622)**	(1,415)
Net movement in fair value reserve of available-for-sale investments	*8*	**155**	(155)
Other comprehensive income for the year		**(2,467)**	(1,570)
Total comprehensive income for the year		**452,017**	343,297
Profit attributable to:			
Equity shareholders of the Company		**458,917**	345,109
Non-controlling interests		**(4,433)**	(242)
Profit for the year		**454,484**	344,867

	Note	2014 *RMB'000*	2013 *RMB'000*
Total comprehensive income attributable to:			
Equity shareholders of the Company		**456,450**	343,539
Non-controlling interests		**(4,433)**	(242)
Total comprehensive income for the year		**452,017**	343,297
Earnings per share (RMB cents)	*10*		
Basic		**61**	46
Diluted		**61**	46

Details of the dividends payable to equity shareholders of the Company attributable to the profit for the year are disclosed in note 9.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Note	2014 RMB'000	2013 RMB'000
Non-current assets			
Property, plant and equipment		**207,661**	212,077
Construction in progress		**5,312**	1,373
Intangible assets		**4,441**	5,034
Lease prepayments		**77,350**	79,277
Prepayments for purchase of equipment and acquisition of land use right		**3,123**	2,148
Prepayment for investment		**30,180**	–
Deferred tax assets		**7,725**	4,847
		335,792	304,756
Current assets			
Inventories		**129,691**	68,969
Trade and other receivables	*11*	**1,652,244**	1,097,547
Current tax asset		**9,496**	21,012
Pledged deposits		**403,925**	128,346
Available-for-sale investments	*12*	**229,000**	649,641
Time deposits with original maturity over three months		**50,000**	103,449
Cash and cash equivalents		**1,287,182**	851,690
		3,761,538	2,920,654
Current liabilities			
Bank loans	*13*	**421,074**	429,541
Trade and other payables	*14*	**1,431,840**	824,091
Current tax liabilities		**49,204**	6,625
		1,902,118	1,260,257
Net current assets		**1,859,420**	1,660,397
Total assets less current liabilities		**2,195,212**	1,965,153
Non-current liabilities			
Deferred tax liabilities		**2,340**	2,574
NET ASSETS		**2,192,872**	1,962,579
CAPITAL AND RESERVES			
Share capital		**66,010**	66,241
Reserves		**2,127,437**	1,892,580
Total equity attributable to equity shareholders of the Company		**2,193,447**	1,958,821
Non-controlling interests		**(575)**	3,758
TOTAL EQUITY		**2,192,872**	1,962,579

NOTES

1. GENERAL INFORMATION

Boer Power Holdings Limited 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").

2. BASIS OF PREPARATION

The Group prepares its financial statements in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong.

These consolidated financial statements for the year ended 31 December 2014 comprise the Company, its subsidiaries and a trust established for the Group's share award scheme. The consolidated financial statements are presented in Renminbi ("RMB") because the functional currency of most of the Group's subsidiaries is RMB. All financial information presented in RMB has been rounded to the nearest thousand, except when otherwise indicated. The measurement basis used in the preparation of the financial statements is the historical cost basis except for available-for-sale investments. The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*
- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*
- HK(IFRIC) 21, *Levies*

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impact of adoption of these new or amended HKFRSs are discussed below:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27, Investment entities

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on these financial statements as Hong Kong listed companies do not qualify to be an investment entity.

Amendments to HKAS 32, Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on these financial statements as they are consistent with the policies already adopted by the Group.

HK(IFRIC) 21, Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these financial statements as the guidance is consistent with the Group's existing accounting policies.

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"), which include product line series of Intelligent Power Grid Solutions and Intelligent Power Distribution Integrated Solutions;
- Energy Efficiency Solutions ("EE Solutions"), which include product line series of Managed and Enhanced EE Solutions and Equipment-enhanced EE Solutions; and
- Components and Spare Parts Business ("CSP Business"), which includes product line series of Special CSP and Standard CSP.

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.

4. TURNOVER AND SEGMENT REPORTING (CONTINUED)

	Turnover *RMB'000*	Cost of sales *RMB'000*	Gross profit *RMB'000*	Depreciation and amortisation included in cost of sales *RMB'000*
Year ended 31 December 2014				
EDS Solutions	**9,615**	**(7,141)**	**2,474**	**67**
iEDS Solutions	**1,156,832**	**(784,683)**	**372,149**	**8,010**
Intelligent Power Grid Solutions	**193,950**	**(133,084)**	**60,866**	
Intelligent Power Distribution Integrated Solutions	**962,882**	**(651,599)**	**311,283**	
EE Solutions	**688,574**	**(401,023)**	**287,551**	**4,768**
Managed and Enhanced EE Solutions	**658,285**	**(375,002)**	**283,283**	
Equipment-enhanced EE Solutions	**30,289**	**(26,021)**	**4,268**	
CSP Business	**193,433**	**(133,171)**	**60,262**	**1,339**
Special CSP	**87,492**	**(60,065)**	**27,427**	
Standard CSP	**105,941**	**(73,106)**	**32,835**	
	2,048,454	**(1,326,018)**	**722,436**	**14,184**
Year ended 31 December 2013				
EDS Solutions	9,893	(6,922)	2,971	125
iEDS Solutions	914,568	(593,434)	321,134	10,343
Intelligent Power Grid Solutions	36,345	(23,496)	12,849	
Intelligent Power Distribution Integrated Solutions	878,223	(569,938)	308,285	
EE Solutions	236,492	(123,420)	113,072	2,194
Managed and Enhanced EE Solutions	236,492	(123,420)	113,072	
Equipment-enhanced EE Solutions	–	–	–	
CSP Business	193,039	(142,866)	50,173	2,576
Special CSP	83,434	(57,776)	25,658	
Standard CSP	109,605	(85,090)	24,515	
	1,353,992	(866,642)	487,350	15,238

The reconciliation of depreciation and amortisation included in cost of sales to consolidated depreciation and amortisation is as follows:

	2014 *RMB'000*	2013 *RMB'000*
Cost of sales	**14,184**	15,238
Administrative expenses	**8,622**	9,633
	22,806	24,871

4. **TURNOVER AND SEGMENT REPORTING (CONTINUED)**

The Group does not allocate any specific assets or expenditures for property, plant and equipment to the operating segments as the chief operating decision maker does not use the information to measure the performance of the reportable segments.

No geographical segment analysis is presented as substantially all turnover and gross profit of the Group are attributable to the PRC.

5. OTHER REVENUE

	2014	2013
	RMB'000	*RMB'000*
Interest income from financial institutions	**20,908**	7,910
Investment income	**43,946**	11,177
Refund of value added taxes ("VAT")^	**51,239**	62,689
Net gain on disposal of available-for-sale investments	**2,230**	–
Government grants	**1,896**	1,044
Others	**3,061**	471
	123,280	83,291

^ Pursuant to the VAT law implemented by the State Administration of Taxation in the PRC, taxpayers selling self-developed software products are required to pay VAT at the rate of 17% but are entitled to a 14% VAT refund. Refund of VAT is recognised by the Group when the amount is received from the relevant tax authority.

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

		2014	2013
		RMB'000	*RMB'000*
(a)	Finance costs:		
	Interest on bank borrowings	**21,333**	3,288
	Interest on factoring	**52,784**	4,472
		74,117	7,760
(b)	Staff costs:		
	Contributions to defined contribution retirement plans	**8,901**	7,053
	Equity-settled share-based payment expenses	**4,785**	19,398
	Salaries, wages and other benefits	**79,645**	75,192
		93,331	101,643
(c)	Other items:		
	Amortisation of intangible assets	**579**	2,639
	Amortisation of lease prepayments	**1,927**	1,822
	Depreciation	**20,300**	20,410
	Auditors' remuneration	**3,307**	2,952
	Impairment losses for trade receivables	**13,042**	6,858
	Impairment losses for intangible assets	**–**	10,168
	Operating lease charges in respect of properties	**3,605**	2,875
	Research and development (other than staff costs)	**50,203**	32,776
	Net loss on disposal of property, plant and equipment	**110**	29
	Net foreign exchange losses	**3,849**	1,363
	Cost of inventories#	**1,326,018**	733,862

Cost of inventories includes RMB50,490,000 (2013: RMB48,838,000) relating to staff costs, depreciation and amortisation expenses, 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.

7. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2014	2013
	RMB'000	*RMB'000*
Current tax		
Provision for PRC income tax for the year	**85,580**	20,049
Under-provision in respect of prior year	**410**	315
Withholding tax *(note (iv))*	**11,516**	2,093
Deferred tax		
Origination and reversal of temporary differences	**(3,112)**	(5,430)
	94,394	17,027

Notes:

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

(ii) No provision has been made for Profits Tax in Hong Kong and Corporate Taxes in Spain as the Group did not earn any income subject to Hong Kong Profits Tax and did not earn any taxable profit subject to Spanish Corporate Taxes during each of the years ended 31 December 2014 and 2013.

(iii) 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" or "Boer Yixing") and Shanghai Electrical Apparatus Research Institute Switch Apparatus Co., Ltd.* ("上海電科博耳電器開關有限公司" or "Shanghai Boer"), 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" or "Boer Software") which is a qualified Software Enterprise and is therefore exempted from corporate income tax for the year ended 31 December 2013 and entitled to a preferential tax rate of 12.5% in 2014.

(iv) Withholding tax

Withholding tax mainly represented taxes levied on the Hong Kong subsidiary in respect of dividends declared 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. OTHER COMPREHENSIVE INCOME

	2014	2013
	RMB'000	*RMB'000*
Available-for-sale investments		
Changes in fair value recognised during the year	**2,385**	(155)
Reclassification adjustments for amounts transferred to profit or loss:		
– gain on disposal	**(2,230)**	–
Net movement in the fair value reserve during the year recognised in other comprehensive income	**155**	(155)

9. DIVIDEND

Dividends payable to equity shareholders of the Company attributable to the year:

	2014	2013
	RMB'000	*RMB'000*
Special dividend declared after the end of the reporting period of HK18 cents per share (2013: HK17 cents)	**108,997**	100,958
Final dividend proposed after the end of the reporting period of HK19 cents per share (2013: HK14 cents)	**115,217**	84,471
	224,214	185,429

The dividends declared and proposed after the end of the reporting period have not been recognised as liabilities at the end of the reporting period.

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB458,917,000 (2013: RMB345,109,000) and the weighted average of 753,612,000 ordinary shares (2013: 756,271,000 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2014	2013
	'000	*'000*
Issued ordinary shares at 1 January	**776,469**	776,469
Effect of shares repurchased	**(185)**	–
Effect of shares held for share award scheme	**(22,672)**	(20,198)
Weighted average number of ordinary shares at 31 December	**753,612**	756,271

10. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of RMB458,917,000 (2013: RMB345,109,000) and the weighted average number of 753,684,000 ordinary shares (2013: 756,517,000 shares) in issue adjusted for the potential dilutive effect caused by the shares granted under the share award scheme, calculated as follows:

Weighted average number of ordinary shares (diluted)

	2014	2013
	'000	*'000*
Weighted average number of ordinary shares at 31 December	**753,612**	756,271
Effect of unvested shares under the Company's share award scheme	**72**	246
Weighted average number of ordinary shares (diluted) At 31 December	**753,684**	756,517

11. TRADE AND OTHER RECEIVABLES

Trade and other receivables in the consolidated statement of financial position comprise:

	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**1,276,655**	800,977
Retention receivables	**149,644**	176,945
Bills receivable	**6,450**	180
Prepayments, deposits and other receivables	**219,495**	119,445
	1,652,244	1,097,547

All of the trade and other receivables except for retention receivables are expected to be recovered or realised within one year.

(a) Impairment of trade receivables and bills receivable

Impairment losses in respect of trade receivables and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables and bills receivable directly.

The movement in the allowance for doubtful debts during the year, including specific loss components, is as follows:

	2014	2013
	RMB'000	*RMB'000*
At 1 January	**12,610**	5,752
Provision for impairment loss recognised	**13,042**	6,858
At 31 December	**25,652**	12,610

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Impairment of trade receivables and bills receivable (continued)

The Group has established a credit policy under which each new customer is assessed individually for creditworthiness before the Group's payment and delivery terms and conditions are offered. The Group's review includes amongst other, externals ratings, credit history, market conditions, prior year's purchases and estimated purchases for the coming year, where available. The credit terms given to the customers vary which are based on the sales contracts signed with individual customers and are generally based on their financial strengths. The Group chases its customers to settle due balances and monitors the settlement progress on an ongoing basis.

(b) Ageing analysis

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) and net of allowance for doubtful debts, is as follows:

	2014	2013
	RMB'000	*RMB'000*
Current	**1,183,402**	771,452
Less than 3 months past due	**81,572**	35,282
More than 3 months but less than 6 months past due	**66,293**	86,731
More than 6 months but less than 1 year past due	**80,532**	35,246
More than 1 year past due	**20,950**	49,391
Amounts past due	**249,347**	206,650
	1,432,749	978,102

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a wide range of customers that have a good track record with the Group and/or have good financial strength. Based on experience, the directors believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable. The directors consider that this is in line with the industry practice especially for infrastructure investment projects. The directors have considered the projects involved and background of each overdue debtor and determined that no additional provision is needed.

The Group does not hold any collateral over these balances.

12. AVAILABLE-FOR-SALE INVESTMENTS

At 31 December 2014, available-for-sale investments represented investments in unlisted wealth management products issued by banks with maturities within 12 months.

	2014	2013
	RMB'000	*RMB'000*
Investments in quoted funds	**–**	276,641
Unlisted investments in wealth management products	**229,000**	373,000
	229,000	649,641

As at 5 March 2015, the Group had redeemed wealth management products with principal amounts of RMB80,000,000 together with returns of RMB3,880,000.

Unlisted wealth management products of RMB130,000,000 (2013: RMB34,000,000) have been pledged against bank loans of USD68,300,000 at the end of the reporting period (2013: HKD40,000,000) (see note 13).

13. BANK LOANS

At 31 December 2014, all of the bank loans of the Group were repayable within one year with effective interest rates range from 2.35% to 2.77% per annum (2013: range from 1.26% to 6.00% per annum) and were secured by certain of the Group's assets as follows:

(i) Unlisted investments in wealth management products with principal amounts of RMB130,000,000; and

(ii) Pledged deposits of RMB283,000,000.

14. TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payables	**896,079**	717,926
Bills payable	**391,622**	15,200
Receipts in advance	**20,616**	13,480
Other payables and accruals	**123,523**	77,485
	1,431,840	824,091

Bills payable as at 31 December 2014 and 2013 were secured by pledged bank deposits.

All of the trade and other payables are expected to be settled within one year.

14. TRADE AND OTHER PAYABLES (CONTINUED)

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:

	2014	2013
	RMB'000	*RMB'000*
Due within 1 month or on demand	**1,022,505**	711,074
Due after 1 month but within 3 months	**224,057**	21,480
Due after 3 months but within 6 months	**41,139**	572
	1,287,701	733,126

15. COMMITMENTS

(a) Capital commitments

Capital commitments of the Group in respect of property, plant and equipment outstanding at 31 December 2014 not provided for in the financial statements were as follows:

	2014	2013
	RMB'000	*RMB'000*
Contracted for	**13,599**	6,405
Authorised but not contracted for	**164,100**	166,970
	177,699	173,375

(b) Operating lease commitments

At 31 December 2014, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2014	2013
	RMB'000	*RMB'000*
Within 1 year	**2,425**	1,846
After 1 year but within 5 years	**2,839**	2,657
	5,264	4,503

The Group leases certain properties under operating leases. The leases typically run for an initial period of one to ten years, with an option to renew when all terms are renegotiated. None of the leases includes contingent rentals.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

The International Monetary Fund estimated that the global economy has grown by 3.3%, maintaining stable as compared with that of 2013. As affected by the slow recovery of the global economy, the PRC's gross domestic product entered into a period of mildly rapid growth from a plateau.

In response to the relatively slow growth of the economy, companies inclined to develop strategies for cost optimisation. Investments on power grids grew at a steady pace and significant growth is expected for investments in distribution network going forward. As the economy has its momentum picked up gradually, investments on sectors such as railways saw a remarkable increase. Having considered the drastic difference among the downstream users of distribution networks, the Group focused on the industries with expanding investments such as telecommunications and medical services customers, with a view to promoting faster business growth of the Group.

As automatisation contributed to advancements of manufacturing in the PRC, domestic brands with relatively small market shares were enabled to provide domestic enterprises with import substitutes, thus enjoying faster growth. In addition, the successes of key domestic players boosted the competitiveness of its industry peers at large.

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 2014, the strategy of the Group was to focus on the development of iEDS Solutions and EE Solutions which have higher gross profit margins, and improve its overall competitive advantage, market position and brand value. The Group also used new technology to provide unique own branded products and energy saving product solutions, further strengthening its development in the area of intelligent power management and control to meet the needs of its customers.

Boer Power has always been orientated towards customer demands and maintains its core research and development strength. The Group released a total of 45 new products in 2014, including MVset-12, PMW2810 integrated power monitoring meters, SBS series of dual power automatic switching device, PMW wireless temperature measurement device, etc. It had also undergone a full scale updating and upgrading of its "Cloud Smart" mega data control platform. In September 2014, the Group released the photovoltaic intelligent integrated solutions which not only helped the gradual transformation of photovoltaic towards an intelligent digitalisation, centralised control and non-attendance mode, but also extended the Group's service quality to end-users.

In terms of the overseas market, following the issue of the three electricity markets reform bill since the 1990s, the European Union achieved market unified trade for the first time in 2014, covering 15 countries in central and western Europe, the United Kingdom, Northern Europe, the Baltic Sea, Sweden and Poland, etc., promoting the development of a healthy energy industry through balancing of power consumption. The Group had made advance deployment for its overseas development in 2013, and the specific measures included acquisition of technology patents and other intangible assets of Grupo De Empresas Temper, S.L., a Spanish company, which has extended the product line of the Group's intelligent electrical distribution system solutions and has further strengthened the core competence of its electronic component technologies at the same time. On the other hand, it has also expanded the Group's marketing channels in Europe to take advantage of the opportunities arising from the booming overseas market. In 2014, the Group commenced its business in Europe which is recording a steady growth. Currently, the Group had over 80 customers in Europe.

The study of "Southeast Asia Energy Outlook" issued by the International Energy Agency in 2013 indicated that over one-fifth of the population in Southeast Asia still suffered from shortage of power supply and the energy demands in the Southeast Asian countries will increase by more than 80% by 2035. In order to satisfy the strong demand of power systems arising from the rapid economic growth of Southeast Asian countries, the Group had set up a subsidiary in Indonesia at the beginning of 2014, actively exploring cooperation opportunities with the local customers via extensive contacts with end-users, main contractors, design institutes and various kinds of other customers, and had commenced operations in the local market and successfully established its presence in Southeast Asian market. It had also set foot in the Cambodia cement market for the first time during the year, signing a contract with Mining Mechanical Engineering Design and Research Institute in Luoyang, Henan to supply low-voltage intelligent distribution equipment for its cement production line in Cambodia. In South America, all electrical distribution products for the power supply works of the construction project of New Luanda International Airport of Angola, Africa will be supplied by the Group. The Group also reached consensus with Tajan LLP, a company from Almaty, Kazakhstan, to supply intelligent electrical distribution products for its oil refinery located at Atyrau, Kazakhstan, accelerating the internationalisation process of the Group.

In terms of the domestic market, the Group actively participated in the infrastructure of various cities, including supplying electrical distribution equipment for Line 1 and Line 2 of Wuxi Metro, participating in the mega data base construction projects of the local subsidiaries under China Mobile and China Unicom, as well as taking part in over 33 new hospital constructions and projects of the intelligent energy saving systems for existing hospitals.

In 2014, the Group launched comprehensive response solutions which focus on the application of five major industries, namely telecommunications, data centers, medical, power grid and real estate. Meanwhile, the Group leveraged the application data cumulated over the years and developed tailor-made integrated solutions for key markets and key customers, thus having achieved profound business growth.

For the data center industry, Boer Power released intelligent and energy-saving solutions targeted at internet data center facilities which included micro modularisation machine room, intelligent electrical distribution, dynamic environment monitoring, energy efficiency management and other functions.

In respect of the medical industry, with the policy for construction of national health institution opening up to private capitals, many medium enterprise investment organisations entered into the medical industry. Boer Power directly put forward strong and weak current medical systems and intelligent and environmental one-stop data energy-saving solutions for electromechanical equipment procurement and project implementation, with positive feedback received from its customers. In view of short term funding needs generally encountered by the downstream users, Boer Power launched "financial factoring model" at the end of 2012, fulfilling the demands for electrical equipment and system services as required by users in the later stage of project investment by way of acting as the main contractor. The Group is promoting its factoring model to the medical industry, committing to resolving the difficulties regarding shortage of construction funds faced by hospitals.

For the power grid industry, the Group has developed solid insulated ring main units which have higher security and ease of operability based on its accumulated technology and experience, thereby helping customers to save time and money. With the subsidiary Sydenham's highly reliable circuit breaker as the foundation, the Group has successfully researched and developed SBS-63/SBS-250 series of dual power automatic switching device products which cater the demands for dual line electric supply, electric supply and emergency power supply mutual system.

As at 31 December 2014, the Group's outstanding contract backlog amounted to approximately RMB2,511,365,000, which comprises iEDS Solutions, EE Solutions and CSP Business, mainly from customers of data centers, infrastructure, telecommunication, medical and distributors of spare parts, etc. Most of the outstanding contract backlog is expected to be completed in 2015.

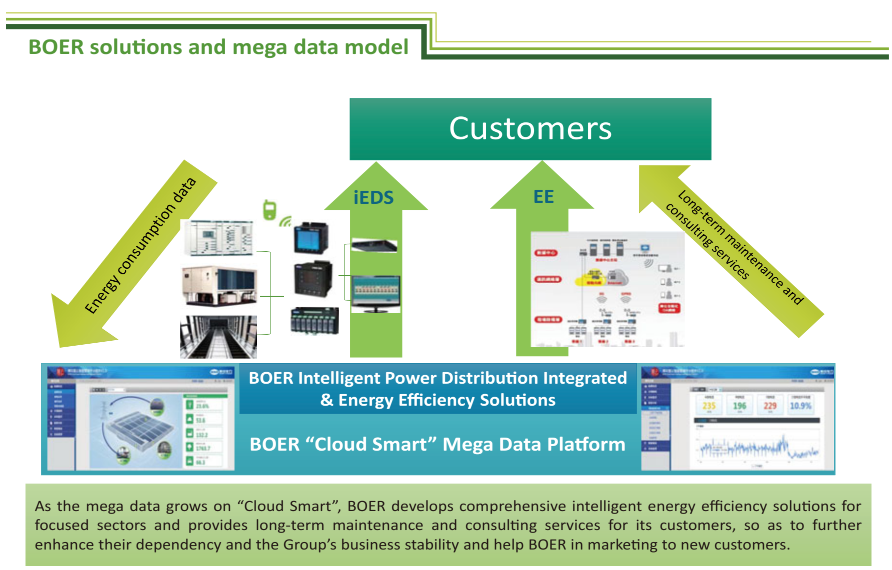
The Group achieved significant growth and outstanding results during the year. The total turnover of the Group amounted to approximately RMB2,048,454,000 for the year ended 31 December 2014, representing an increase of 51.3% as compared to that of 2013. The increase in turnover was mainly attributable to an increase in market demand of the Group's products as a result of the enhancement of the products offered to the market which arose from the strengthening of the Group's technological capabilities and the growing mega data from the customers.

The total profit attributable to the equity shareholders of the Company amounted to approximately RMB458,917,000 for the year ended 31 December 2014, representing an increase of 33.0% as compared to that of 2013. The increase in profit was mainly due to the substantial increase in revenue contribution from both the iEDS Solutions and EE Solutions business segments.

Other revenue for the year mainly represented refund of value-added taxes of approximately RMB51,239,000 (2013: approximately RMB62,689,000) and investment income of approximately RMB43,946,000 (2013: approximately RMB11,177,000). The increase in investment income was due to the holding of more available-for-sale investments during the year. All available-for-sale investments in quoted funds had been disposed as at 31 December 2014.

As at 31 December 2014, the total assets of the Group were approximately RMB4,097,330,000 (31 December 2013: approximately RMB3,225,410,000) while the total liabilities were approximately RMB1,904,458,000 (31 December 2013: approximately RMB1,262,831,000) and the total equity of the Group amounted to approximately RMB2,192,872,000 (31 December 2013: approximately RMB1,962,579,000).

Operation and Financial Review



iEDS Solutions and EE Solutions performed well and in particular, sound performance and significant growth were recorded for EE Solutions during the year.

EDS Solutions

Electrical distribution system lies between grid and end users to distribute electricity at converted voltage for end users. Nowadays, the Group's EDS Solutions have generally been replaced by iEDS Solutions.

The total sales of EDS Solutions of the Group for the year ended 31 December 2014 amounted to approximately RMB9,615,000 (2013: approximately RMB9,893,000), representing 0.5% (2013: 0.7%) of the Group's total turnover for the year. A decrease in sales of EDS Solutions of 2.8% was recorded and the gross profit of this business segment was approximately RMB2,474,000 (2013: approximately RMB2,971,000), representing a decline of 16.7% as compared to that of 2013. The reason for the decline in sales and gross profit was due to the continuing drop in demand for EDS Solutions as a result of the market trend for replacement of EDS Solutions by iEDS Solutions. Most of the Group's customers are currently adopting the iEDS Solutions.

The gross profit margin of EDS Solutions segment decreased from 30.0% for 2013 to 25.7% for the year.

iEDS Solutions

On top of EDS Solutions, the Group also provides electrical distribution systems with automation features which link all the electromechanical equipment together for automatic data acquisition and analysis, remote control and automated diagnosis, through which the users can remotely control the related data collected from the electromechanical systems which can be used on the analysis for energy saving solutions. These functions are useful and important to the users who require more stable and safer auto-controlled electrical distribution systems, such as the telecommunication and medical services industries.

According to the different nature of the users, iEDS Solutions can be further classified into the below categories:

– Intelligent Power Grid Solutions: the products and solutions being used in the power grids; and

– Intelligent Power Distribution Integrated Solutions: the products and solutions being used by end users.

The total sales of iEDS Solutions of the Group for the year ended 31 December 2014 was approximately RMB1,156,832,000 (2013: approximately RMB914,568,000), which accounted for approximately 56.5% (2013: 67.5%) of the Group's total turnover for the year. The increase in the sales of iEDS Solutions of 26.5% for the year ended 31 December 2014. This is mainly attributable to the Group's achievement of major electrical equipment automatisation and data collection based on the application data collected from customers in focused industries accumulated over the years, thus promptly meeting the customers' needs. The gross profit of this business segment was approximately RMB372,149,000 (2013: approximately RMB321,134,000), representing an increase of 15.9% as compared to that of 2013.

The gross profit margin of iEDS Solutions segment decreased from 35.1% for 2013 to 32.2% for the year. The fluctuation in gross profit margin is within the normal range.

EE Solutions

Based on the data collected by the electrical distribution systems using its iEDS Solutions, the Group can analyse the power consumption status of users, and through management and with consideration of power source, select the most appropriate power saving solutions and provide equipment and systems to customers in order to improve energy efficiency and save electricity costs. EE Solutions services include the provision and maintenance of equipment and a number of other value-added services.

According to the difference in approaches, EE Solutions can be further classified into the below categories:

– Managed and Enhanced EE Solutions: the power saving products and solutions the Group provided to end-user customers of power consumption; and

– Equipment-enhanced EE Solutions: the power saving equipment and solutions the Group provided to customers at their power supply end.

The total sales of EE Solutions of the Group for the year ended 31 December 2014 was approximately RMB688,574,000 (2013: approximately RMB236,492,000), which accounted for approximately 33.6% (2013: 17.5%) of the Group's total turnover for the year. The substantial increase in the sales of EE Solutions was a result of the impact from the continuing trend of energy conservation on the market environment in correspondence with China's policy on energy-saving and emission reduction, as well as the increasing demand on energy saving from industries such as data centers, telecommunications and medical services, whereby actual energy saving is achieved by integrating the data from the customers in focused industries accumulated by the Group over the years and taking into account the actual situations of the customers. The gross profit of this business segment was approximately RMB287,551,000 (2013: approximately RMB113,072,000), representing an increase of 154.3% as compared to that of 2013.

The gross profit margin of EE Solutions segment decreased from 47.8% for 2013 to 41.8% for the year. The fluctuation in gross profit margin is within the normal range.

CSP Business

The Group also manufactures components and spare parts for application on electrical distribution equipment or the basic function units of the solutions and sells such components and spare parts to its customers. Its functions can only be realised through the system or connecting with other hardware.

According to the differences of applications, CSP Business can be further classified into the below categories:

– Special CSP: the custom-made parts ordered by the Group's long term customers;

– Standard CSP: the general parts and components being sold by the Group; and

– Smart home products: the parts and components used for intelligent household equipment.

  The smart home products are the Group's new line of products launched to the market during 2015, and thus no sales were recorded for the year ended 31 December 2014.

The total sales of CSP Business of the Group for the year ended 31 December 2014 were approximately RMB193,433,000 (2013: approximately RMB193,039,000), which accounted for approximately 9.4% (2013: 14.3%) of the Group's total turnover for the year. A slight increase in the sales of CSP Business of 0.2% for the year ended 31 December 2014 was recorded. The gross profit of this business segment was approximately RMB60,262,000 (2013: approximately RMB50,173,000), representing an increase of 20.1% as compared to that of 2013.

The gross profit margin of CSP Business segment increased from 26.0% for 2013 to 31.2% for the year. The fluctuation in gross profit margin is within the normal range.

Prospect

As published by the State Grid Corporation of China, grid construction investment in 2015 will be RMB420.2 billion, increasing by 24% over the year with the investment amount increasing to a new record high. The Group is analysing the demands for domestic grid development from a strategic perspective to prepare for the relevant future development in advance.

Stepping into the era of smart grid, the country is committed to promoting smart grid construction. The "13th Five-Year Grid Plan" has set a target to increase the coverage for automation of urban intelligent distribution network to 80% by 2020, providing huge development opportunities for the Group's iEDS and EE businesses in the industries of rapid growth such as telecommunications, data centers and medical services.

The Group surpassed its 2014 business growth target of 20% to 40%, having achieved business growth of 51%. In 2015, the Group will continue to its focused business development strategy and realise a target business growth rate of 30%, thereby fully exercising the Group's advantages of its one-stop electrical distribution system and energy efficiency solutions, so as to make arrangements for its domestic and overseas development which will further consolidate the leading position of the Group in the local industry as well as accelerate the pace for expansion of its international business.

Liquidity and Financial Resources

The Group maintained a healthy liquidity position during the year under review. The Group was principally financed by internal resources. The Group's principal financial instruments comprise 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 31 December 2014, the cash and cash equivalents, net current assets and total assets less current liabilities were approximately RMB1,287 million (31 December 2013: approximately RMB852 million), approximately RMB1,859 million (31 December 2013: approximately RMB1,660 million) and approximately RMB2,195 million (31 December 2013: approximately RMB1,965 million), respectively. As at 31 December 2014, the Group had bank loans amounting to approximately RMB421 million (31 December 2013: approximately RMB430 million).

Assets/Liabilities Turnover Ratio

The average inventory turnover days decreased by 3 days from 30 days for the year ended 31 December 2013 to 27 days for the year ended 31 December 2014, mainly due to the increased cost of sales during the year and the implementation of tighter control and monitoring over the Group's inventory levels during the year. The average trade payables turnover days increased by 2 days from 276 days for the year ended 31 December 2013 to 278 days for the year ended 31 December 2014, mainly due to increase in trade payables as at 31 December 2014 as a result of longer credit periods negotiated with the suppliers. The average trade receivables turnover days decreased by 56 days from 271 days for the year ended 31 December 2013 to

215 days for the year ended 31 December 2014, mainly due to the increase in turnover during the year as well as better management of the Group's trade receivables. In addition, starting from the second half of 2012, 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, gradually increasing the utilisation of such bank factoring facilities.

Contingent Liabilities

As at 31 December 2014, 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 PRC 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 Investment Held, Material Acquisition and Disposal

The Group had no significant investments held or material acquisitions and disposals during the year ended 31 December 2014.

Employees and Remuneration Policy

The Group had 1,290 (2013: 1,342) employees as at 31 December 2014. The total staff costs for the year under review were approximately RMB93 million (2013: approximately RMB102 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.

Use of Proceeds from the Global Offering

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with a total of 215,625,000 offer shares (including shares issued as a result of the exercise of the over-allotment option) issued. The net proceeds raised from the global offering were approximately HK$1,251 million (equivalent to approximately RMB1,067 million).

The following table sets forth the status of use of proceeds from the global offering[1]:

	Proceeds from global offering		**Used up to 31 December 2014**	**Unused balance**
	RMB'000	*Percentage*	*RMB'000*	*RMB'000*
Expanding the upstream component production capability	266,637	25%	195,849	70,788
Expanding the downstream sales channel and market segment in China	373,291	35%	283,151	90,140
Payment of outstanding balance of the consideration in relation to the construction and completion of the Luoshe Town new plant	159,982	15%	68,456	91,526
Purchase of equipment in the Luoshe Town new plant	85,324	8%	6,693	78,631
Purchase of equipment and software in providing more efficient EE Solutions	74,658	7%	33,331	41,327
Working capital and other general corporate purposes	106,655	10%	106,000	655
	1,066,547	100%	693,480	373,067

1 The figures in the table are approximate figures.

The unused balance of the proceeds of approximately RMB373 million are currently placed with reputable banks as the Group's cash and cash equivalents.

It was stated in the section headed "Future Plans and Use of Proceeds" in the listing prospectus of the Company dated 7 October 2010 (the "Prospectus") that the Company intended to use approximately 35% of the net proceeds received from the global offering for setting up new companies or acquisition of companies in the electrical distribution business to expand the downstream sales channel and market segment. Since the listing of the Company on the Main Board of the Stock Exchange on 20 October 2010, the Company has incurred approximately RMB283 million for expanding the downstream sales channel and market segment in China mainly by setting up a new division, purchasing land and research and development of new products in its existing subsidiary, instead of simply setting up new companies or carrying out acquisition. The Company considers that the use of such RMB283 million is in line with the strategy and future plans of the Group to expand the downstream sales channel and market segment in China and does not constitute a material change to the use of proceeds as set out in the Prospectus. The Company also considers that it is beneficial to and in the interest of the shareholders of the Company to apply such proceeds to expand downstream sales channel and market segment.

DIVIDEND

The Board has recommended to the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Tuesday, 5 May 2015, a payment of final dividend of HK19 cents (2013: HK14 cents) per share for the year ended 31 December 2014, payable to shareholders whose names appear in the Register of Members of the Company on Tuesday, 12 May 2015. The said dividend will be payable on or about Wednesday, 20 May 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 29 April 2015 to Tuesday, 5 May 2015 (both days inclusive), during such period no transfer of shares will be registered. In order to qualify for attending and voting at the 2014 annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 28 April 2015.

In addition, the Register of Members of the Company will also be closed from Monday, 11 May 2015 to Tuesday, 12 May 2015 (both days inclusive), during such period no transfer of shares will be registered. In order to qualify for entitlement to the proposed final dividend for the reporting year, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 8 May 2015.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, the Company repurchased a total of 2,700,000 shares at prices ranging from HK$6.78 to HK$8.78 per share on the Stock Exchange and these shares were subsequently cancelled by the Company. All the repurchased shares were cancelled upon repurchase and the issued share capital of the Company was reduced by the par value thereof. Shares were repurchased during the year pursuant to the mandate granted by shareholders at the last annual general meeting of the Company, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

During the year, the Company repurchased its own ordinary shares on the Stock Exchange as follows:

Month/year	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid	
		HK$	*HK$*	*HK$'000*	*RMB'000*
November 2014	900,000	8.78	8.35	7,697	6,078
December 2014	1,800,000	7.16	6.78	12,648	10,148
				20,345	16,226

During the year, the trustee of the share award scheme, pursuant to the terms of the rules and trust deed of the share award scheme adopted by the Company on 17 June 2011, purchased on the Stock Exchange a total of 3,980,000 Company's shares at a total cost of RMB24,710,000.

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 year.

CORPORATE GOVERNANCE PRACTICES

The Company and its management are committed to maintaining 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 year under review, the Company has applied the principles of and complied with the code provisions stipulated in the Corporate Governance Code and Corporate Governance Report (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the year, with the exception of code provisions A.2.1 and A.6.7 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 the Chairman and the 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 its 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 that the Company has achieved balance and provided sufficient protection of its interests.

Code provision A.6.7

Code provision A.6.7 stipulates that the Independent Non-executive Directors and the Non-executive Directors should attend the AGM to develop a balanced understanding of the views of shareholders. However, the Non-executive Director, Mr. Zhang Huaqiao, was unable to attend the 2013 AGM due to other business engagements.

In addition, the Chairman, Mr. Qian Yixiang, did not attend the 2013 AGM in person and had appointed Mr. Yeung Chi Tat, an Independent Non-executive Director, as his delegate to chair that AGM. However, both Mr. Qian Yixiang and Mr. Yeung Chi Tat, as the Chairman of the Audit, Nomination and Remuneration Committees, were available to answer questions at the 2013 AGM.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct regarding securities transactions by directors of the Company (the "Code of Conduct"). Having made specific enquiry of all directors of the Company, the directors have confirmed that they have complied with the required standard of dealings as set out in the Code of Conduct throughout the year ended 31 December 2014.

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 year ended 31 December 2014.

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 and 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 annual results for the year ended 31 December 2014 of the Group.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Company's annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.boerpower.com.

The annual report of the Company for year ended 31 December 2014 containing the information required by Appendix 16 of the Listing Rules 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 announcement, 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.

By order of the Board
Qian Yixiang
Chairman

Hong Kong, 6 March 2015