NVC LIGHTING HOLDING LIMITED
雷士照明控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2222)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2013

Highlights for the six months ended 30 June 2013:

- Our revenue amounted to RMB1,688,520,000, representing an increase of 4.6% as compared with the Corresponding Period.
- Our gross profit amounted to RMB353,989,000, representing a decrease of 2.9% as compared with the Corresponding Period.
- Our profit before tax amounted to RMB127,196,000, representing an increase of 68.2% as compared with the Corresponding Period.
- Profit attributable to owners of the parent amounted to RMB81,234,000, representing an increase of 92.3% as compared with the Corresponding Period.
- Basic earnings per share of the Company amounted to RMB0.026.
- The Board of the Company has resolved to pay an interim dividend of HK1 cent per share (equivalent to approximately RMB0.8 cent) (Corresponding Period: HK1 cent per share (equivalent to approximately RMB0.8 cent)).

The board of directors (the "Board") of NVC Lighting Holding Limited (the "Company") is pleased to announce the interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2013 (the "Period under Review"). The interim results have not been audited, but have been reviewed by the Audit Committee of the Company.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June **2013** ***RMB'000***	 2012 *RMB'000* *(Restated)*
REVENUE	*2*	**1,688,520**	1,613,917
Cost of sales		**(1,334,531)**	(1,249,333)
GROSS PROFIT		**353,989**	364,584
Other income and gains	*3*	**43,751**	41,362
Selling and distribution costs		**(120,715)**	(108,156)
Administrative expenses		**(130,064)**	(210,841)
Other expenses		**(17,844)**	(9,397)
Finance costs	*4*	**(1,630)**	(2,386)
Share of (loss)/profit of an associate		**(291)**	442
PROFIT BEFORE TAX		**127,196**	75,608
Income tax expense	*5*	**(29,530)**	(15,531)
PROFIT FOR THE PERIOD		**97,666**	60,077
Attributable to:			
Owners of the parent		**81,234**	42,252
Non-controlling interest		**16,432**	17,825
		97,666	60,077
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic	*6*	**2.60 cents**	1.34 cents
Diluted	*6*	**2.60 cents**	1.34 cents

Details of the dividend payable are disclosed in note 7 to the interim condensed consolidated financial statements on page 14 of this announcement.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
PROFIT FOR THE PERIOD	**97,666**	60,077
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	**(11,678)**	15,674
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**85,988**	75,751
Attributable to:		
Owners of the parent	**69,556**	57,926
Non-controlling interest	**16,432**	17,825
	85,988	75,751

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**30 June 2013** *RMB'000*	31 December 2012 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**861,301**	842,756
Prepaid land lease payments		**51,498**	52,202
Goodwill		**21,161**	21,161
Other intangible assets		**302,126**	307,069
Investment in an associate		**6,071**	6,362
Deferred tax assets		**36,365**	42,451
Prepayments for purchase of property, plant and equipment		**13,049**	23,331
Total non-current assets		**1,291,571**	1,295,332
CURRENT ASSETS			
Inventories	*8*	**567,429**	698,400
Trade and bills receivables	*9*	**1,064,420**	818,890
Prepayments, deposits and other receivables		**69,052**	94,005
Other current assets		**11,603**	16,079
Short-term deposits		**489,862**	379,233
Cash and cash equivalents		**1,080,811**	1,214,744
		3,283,177	3,221,351
Non-current assets classified as held for sale		**17,606**	17,606
Total current assets		**3,300,783**	3,238,957
CURRENT LIABILITIES			
Trade payables	*10*	**527,305**	431,606
Other payables and accruals		**262,897**	282,523
Interest-bearing loans and borrowings	*11*	**40,489**	94,387
Government grants		**6,429**	6,208
Income tax payable		**14,222**	24,975
Total current liabilities		**851,342**	839,699
NET CURRENT ASSETS		**2,449,441**	2,399,258
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,741,012**	3,694,590

Continued/...

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(continued)

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
NON-CURRENT LIABILITIES		
Government grants	**14,718**	15,841
Deferred tax liabilities	**95,354**	96,016
Total non-current liabilities	**110,072**	111,857
Net assets	**3,630,940**	3,582,733
EQUITY		
Equity attributable to owners of the parent		
Issued capital	**2**	2
Share premium	**1,961,149**	1,961,124
Shareholders' contribution	**6,416**	6,416
Statutory reserve	**90,178**	85,873
Employee equity benefit reserve	**14,853**	14,608
Foreign currency translation reserve	**(99,700)**	(88,022)
Retained earnings	**1,570,578**	1,493,649
Proposed final dividend	**–**	38,051
	3,543,476	3,511,701
Non-controlling interest	**87,464**	71,032
Total equity	**3,630,940**	3,582,733

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Net cash flows from operating activities	**108,440**	167,600
Net cash flows (used in)/from investing activities	**(174,195)**	16,624
Net cash flows used in financing activities	**(51,630)**	(8,710)
Net (decrease)/increase in cash and cash equivalents	**(117,385)**	175,514
Cash and cash equivalents at beginning of period	**1,200,357**	784,543
Effect of foreign exchange rate changes, net	**(12,650)**	6,251
Cash and cash equivalents as stated in the statement of cash flows	**1,070,322**	966,308
Bank overdraft	**10,489**	7,943
Cash and cash equivalents as stated in the statement of financial position	**1,080,811**	974,251

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2013

	Attributable to owners of the parent										
	Issued capital *RMB'000*	Share premium *RMB'000*	Shareholders' contribution *RMB'000*	Statutory reserve *RMB'000*	Employee equity benefit reserve *RMB'000*	Foreign currency translation reserve *RMB'000*	Retained earnings *RMB'000*	Proposed final dividend *RMB'000*	Total *RMB'000*	Non-controlling interest *RMB'000*	Total equity *RMB'000*
At 1 January 2013	2	1,961,124	6,416	85,873	14,608	(88,022)	1,493,649	38,051	3,511,701	71,032	3,582,733
Profit for the period	–	–	–	–	–	–	81,234	–	81,234	16,432	97,666
Other comprehensive income:											
Exchange differences on translation of foreign operations	–	–	–	–	–	(11,678)	–	–	(11,678)	–	(11,678)
Total comprehensive income for the period	–	–	–	–	–	(11,678)	81,234	–	69,556	16,432	85,988
Transfer to statutory reserve	–	–	–	4,305	–	–	(4,305)	–	–	–	–
Employee share option arrangements	–	–	–	–	245	–	–	–	245	–	245
Adjustment to final 2012 dividend declared	–	25	–	–	–	–	–	(38,051)	(38,026)	–	(38,026)
At 30 June 2013	2	1,961,149	6,416	90,178	14,853	(99,700)	1,570,578	–	3,543,476	87,464	3,630,940

Continued/...

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(continued)

Six months ended 30 June 2013

	Attributable to owners of the parent										
	Issued capital *RMB'000* *(Restated)*	Share Premium *RMB'000* *(Restated)*	Shareholders' contribution *RMB'000* *(Restated)*	Statutory reserve *RMB'000* *(Restated)*	Employee equity benefit reserve *RMB'000* *(Restated)*	Foreign currency translation reserve *RMB'000* *(Restated)*	Retained earnings *RMB'000* *(Restated)*	Proposed final dividend *RMB'000* *(Restated)*	Total *RMB'000* *(Restated)*	Non-controlling interest *RMB'000* *(Restated)*	Total equity *RMB'000* *(Restated)*
At 1 January 2012	2	2,063,163	6,416	84,923	12,945	(86,890)	1,486,183	89,607	3,656,349	55,404	3,711,753
Profit for the period	–	–	–	–	–	–	42,252	–	42,252	17,825	60,077
Other comprehensive income:											
Exchange differences on translation of foreign operations	–	–	–	–	–	15,674	–	–	15,674	–	15,674
Total comprehensive income for the period	–	–	–	–	–	15,674	42,252	–	57,926	17,825	75,751
Exercise of share options	–	986	–	–	(137)	–	–	–	849	–	849
Employee share option arrangements	–	–	–	–	899	–	–	–	899	–	899
Dividend paid to a non-controlling shareholder	–	–	–	–	–	–	–	–	–	(24,500)	(24,500)
Adjustment to final 2011 dividend declared	–	(173)	–	–	–	–	–	(89,607)	(89,780)	–	(89,780)
At 30 June 2012	2	2,063,976	6,416	84,923	13,707	(71,216)	1,528,435	–	3,626,243	48,729	3,674,972

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.1 BASIS OF PREPARATION

These interim condensed consolidated financial statements of the Group for the six months ended 30 June 2013 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules and IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board. These interim condensed consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand ('000) except when otherwise indicated.

The accounting policies and basis of preparation used in the preparation of these interim condensed consolidated financial statements are the same as those used in the Group's annual consolidated financial statements for the year ended 31 December 2012, except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") (which also include International Accounting Standards ("IASs") and Interpretations).

These interim condensed consolidated financial statements do not include all information and disclosures required in the Group's annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2012.

1.2 IMPACT OF NEW AND REVISED IFRSs

The Group has adopted the following revised IFRSs for the first time for the current period's interim condensed consolidated financial statements:

• IFRS 1 Amendments	Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Government Loans*
• IFRS 7 Amendments	Amendments to IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
• IFRS 10	*Consolidated Financial Statements*
• IFRS 11	*Joint Arrangements*
• IFRS 12	*Disclosure of Interests in Other Entities*
• IFRS 10, IFRS 11 and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12 – *Transition Guidance*
• IFRS 13	*Fair Value Measurement*
• IAS 1 Amendments	Amendments to IAS 1 – *Presentation of Items of Other Comprehensive Income*
• IAS 19 Amendments	*Employee Benefits*
• IAS 27 (Revised)	*Separate Financial Statements*
• IAS 28 (Revised)	*Investments in Associates and Joint Ventures*
• IFRIC 20	*Stripping Costs in the Production Phase of a Surface Mine*
• *Annual Improvements 2009-2011 Cycle*	Amendments to a number of standards issued in May 2012

Other than as further explained below regarding the impact of IFRS 13, the adoption of the new and revised IFRSs has had no significant financial effect on the interim condensed consolidated financial statements.

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed consolidated financial statements period. As at 30 June 2013, the carrying amounts of our financial instruments approximated to their fair value.

1.3 IMPACT OF ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs and IFRIC interpretations that have been issued but are not yet effective in these financial statements:

- IFRS 10, IFRS 12 and IAS 27 (Revised) Amendments — Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised) – *Investment Entities*[1]
- IAS 32 Amendments — Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[1]
- IAS 36 Amendments — Amendments to IAS 36 *Impairment of assets – Recoverable amount disclosures for non-financial assets*[1]
- IAS 39 Amendments — Amendments to IAS 39 *Financial Instruments: Recognition and Measurement – Novation of derivatives and continuation of hedge accounting*[1]
- IFRS 9 — *Financial Instruments*[2]

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of the new and revised IFRSs and IFRIC interpretations upon initial application. The Group will adopt the above IFRSs when they become effective.

2. REVENUE AND SEGMENT INFORMATION

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

For management purposes, the Group is organised into business units based on the products and services and has three reportable operating segments as follows:

(a) Luminaire products segment: Luminaire products represent a complete lighting unit that consists of a lighting fixture, a lamp (namely the light source such as a light bulb or tube) and a lighting electronics device. The luminaire products are sold as complete lighting units or units without lamps and lighting electronics, based on the needs of end customers;

(b) Lamp products segment: Lamp products represent a range of light bulbs and tubes for compact fluorescent lamps, high intensity discharge ("HID") lamps, fluorescent lamps, halogen lamps and light emitting diode ("LED") lamps; and

(c) Lighting electronic products segment: Lighting electronic products represent electronic transformers, electronic and inductive ballasts for fluorescent and HID lamps, and HID ballast boxes.

Segment information represents the revenue and gross profit from external customers. Our revenue from sales for the six months ended 30 June 2013 amounted to RMB1,688,520,000, representing an increase of 4.6% from RMB1,613,917,000 recorded in the Corresponding Period.

2. REVENUE AND SEGMENT INFORMATION *(continued)*

	Revenue		Gross profit	
	Six months ended 30 June		Six months ended 30 June	
	2013	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
		(Restated)		*(Restated)*
Luminaire products	**902,695**	797,069	**214,663**	192,520
Lamp products	**653,828**	687,433	**116,239**	150,772
Lighting electronic products	**131,997**	129,415	**23,087**	21,292
Total	**1,688,520**	1,613,917	**353,989**	364,584
Unallocated items				
Other income and gains			**43,751**	41,362
Selling and distribution costs			**(120,715)**	(108,156)
Administrative expenses			**(130,064)**	(210,841)
Other expenses			**(17,844)**	(9,397)
Finance costs			**(1,630)**	(2,386)
Share of (loss)/profit of an associate			**(291)**	442
Profit before tax			**127,196**	75,608
Income tax expense			**(29,530)**	(15,531)
Profit for the period			**97,666**	60,077

During the Period under Review, depreciation and amortisation of intangible assets other than goodwill recognised in the interim condensed consolidated income statement amounted to RMB57,228,000, as compared to RMB59,135,000 for the Corresponding Period.

3. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Other income		
Government grants	**16,850**	12,059
Trademark licence fees	**7,230**	7,038
Distribution commission	**–**	6,430
Bank interest income	**11,304**	9,297
Other interest income	**85**	2,139
Rental income	**1,239**	–
Others	**6,105**	3,184
	42,813	40,147
Gains		
Gain on sales of scrap materials	**938**	1,215
	43,751	41,362

4. FINANCE COSTS

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Interest on bank loans	**1,463**	2,163
Other interest expenses	**167**	223
	1,630	2,386

5. INCOME TAX

The Group is subject to income tax on an individual legal entity basis on profits arising in or derived from the tax jurisdictions in which the subsidiaries are domiciled and operate. No provision for Hong Kong profits tax or the United Kingdom (the "UK") corporation income tax has been made as the Group has no assessable profits arising in Hong Kong or the UK during the Period under Review (Corresponding Period: Nil).

The table below sets out the items of income tax expense in the Period under Review, all of which represent PRC income tax expense.

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Current income tax		
– Current income tax charge for the period	**28,742**	34,103
– Adjustments in respect of current income tax of previous year	**(4,414)**	1,883
Deferred income tax		
– Relating to origination and reversal of temporary differences	**5,202**	(20,455)
Total tax charge for the period	**29,530**	15,531

The Company's subsidiaries located in Mainland China are subject to enterprise income tax ("EIT") at the statutory tax rate of 25%.

Chongqing NVC, a subsidiary located in the west of China, was recognised as a western development enterprise by the local tax authority in 2009 and is entitled to the preferential tax rate of 15% from 2009 to 2020 according to a local tax policy on western development issued in 2011.

Shanghai Arcata, a subsidiary located in Shanghai as a foreign-invested enterprise, was eligible to apply for a two-year EIT exemption followed by a three-year 50% EIT reduction holiday starting from 2008 in accordance with the then effective PRC income tax laws and regulations. Thus, the applicable tax rate for Shanghai Arcata for 2012 was 12.5%. Shanghai Arcata was recognised as a high-tech enterprise by the PRC tax authority and entitled a preferential tax rate of 15% in 2013.

Sunny, Jiangshan Phoebus and Huizhou NVC were all recognised as high-tech enterprises by the PRC tax authority and entitled a preferential tax rate of 15% for three years starting from year 2011, 2011 and 2012, respectively.

The table below sets out the applicable tax rates for the Group's PRC subsidiaries:

	Six months ended 30 June	
	2013	2012
Huizhou NVC	**15.0%**	15.0%
Chongqing NVC	**15.0%**	15.0%
Zhejiang NVC	**25.0%**	25.0%
Jiangshan Phoebus	**15.0%**	15.0%
Zhangpu Phoebus	**25.0%**	25.0%
Sunny	**15.0%**	15.0%
Shanghai Arcata	**15.0%**	12.5%
Chongqing Lighting	**25.0%**	N/A

6. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic earnings per share is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the six months ended 30 June 2013 and 2012. The calculation of diluted earnings per share is based on the profit attributable to ordinary equity holders of the parent, while the weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of share options or conversion of all dilutive potential ordinary shares into ordinary shares.

	Six months ended 30 June	
	2013	2012
	RMB cents	*RMB cents*
		(Restated)
Earnings per share		
– Basic	**2.60**	1.34
– Diluted	**2.60**	1.34

The calculation of basic and diluted earnings per share is based on:

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Earnings:		
Profit attributable to ordinary equity holders of the parent	**81,234**	42,252

	Six months ended 30 June	
	2013	2012
	'000 Shares	*'000 Shares*
Shares:		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**3,128,448**	3,158,159
Effect of dilution – weighted average number of ordinary shares:		
Share options	**1,240**	2,466
	3,129,688	3,160,625

7. DIVIDEND

On 26 March 2013, the Board proposed a final dividend of HK1.5 cents per share for the year ended 31 December 2012 payable to the shareholders whose names appeared on the register of members of the Company at the close of business on 4 July 2013. The proposed dividend was approved by the shareholders at the annual general meeting on 21 June 2013. Based on the 3,128,448,000 issued shares as at 4 July 2013, the final dividend payable amounted to HK$46,927,000 (equivalent to approximately RMB37,383,000) (before tax).

On 28 August 2013, the Board passed a resolution for declaration an interim dividend of HK1 cent per share for the six months ended 30 June 2013 (Corresponding Period: HK1 cent). It is expected that the interim dividend payable will amount to HK$31,284,000 (equivalent to approximately RMB24,921,000) (before tax) based on the 3,128,448,000 issued shares as at 30 June 2013.

8. INVENTORIES

The balance of inventories represents our balance of stock of raw materials, work in progress and finished goods as at the end of the Period under Review. We monitor our inventories on a regular basis. The following table sets out our inventories balance as at the end of the Period under Review, as well as the turnover of average inventories (in days) for the periods indicated.

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Raw materials	**133,330**	179,911
Work in progress	**26,117**	11,963
Finished goods	**407,982**	506,526
	567,429	698,400
Turnover of average inventories (in days)[1]	**85.4**	91.8

(1) Average inventories equal inventories at the beginning of the period plus inventories at the end of the period (after provision for impairment of inventories), divided by two. Turnover of average inventories (in days) equals the average inventories divided by the cost of sales and then multiplied by 180 or 365.

During the Period under Review, the amount of the write-down of inventories recognised was RMB10,154,000 (Corresponding Period: RMB13,370,000), which was recorded in cost of sales in the interim condensed consolidated income statement.

9. TRADE AND BILLS RECEIVABLES

The balance of trade and bills receivables represents the outstanding amounts receivable by us from customers who have been granted credit periods. The following table sets forth our total trade receivables and bills receivable as at the end of the Period under Review and the turnover of average trade and bills receivables (in days) for the periods indicated.

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Trade receivables	**921,642**	710,739
Provision	**(24,898)**	(18,393)
Trade receivables, net	**896,744**	692,346
Bills receivable	**167,676**	126,544
	1,064,420	818,890
Turnover of average trade and bills receivables (in days)[1]	**102.7**	89.5

[1] Average trade and bills receivables equal trade and bills receivables at the beginning of the period plus trade and bills receivables at the end of the period (before provision), divided by two. Turnover of average trade and bills receivables (in days) equals the average trade and bills receivables divided by revenue and then multiplied by 180 or 365.

An ageing analysis of the trade receivables as at the end of the Period under Review, based on the transaction date and net of provision, is as follows.

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Within 3 months	**688,776**	532,034
4 to 6 months	**119,496**	85,397
7 to 12 months	**48,278**	26,390
1 to 2 years	**40,194**	45,037
Over 2 years	**–**	3,488
	896,744	692,346

Trade receivables of the Group represent proceeds receivable from sale of goods. Our trading terms with our customers are mainly on credit, except for new customers where payment in advance is normally required. The credit periods generally range from 30 to 180 days. We seek to maintain strict control over our outstanding receivables and have a credit control management system to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that our trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing and not pledged.

The following table sets forth the maturity profile of our bills receivable as at the end of the Period under Review.

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Within 6 months	**167,676**	126,544

As at 30 June 2013, the fair value of trade and bills receivables approximated to their carrying amounts largely due to the short term maturities.

10. TRADE PAYABLES

The following table sets forth the total amounts of our trade payables as at the end of the Period under Review, and our turnover of average trade payables (in days) for the periods indicated.

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Trade payables to third parties	**511,983**	404,561
Trade payables to related parties	**15,322**	27,045
	527,305	431,606
Turnover of average trade payables (in days)[1]	**64.7**	53.6

[1] Average trade payables equal trade payables at the beginning of the period plus trade payables at the end of the period, divided by two. Turnover of average trade payables (in days) equals average trade payables divided by cost of sales and then multiplied by 180 or 365.

An ageing analysis of the trade payables as at the end of the Period under Review, based on the transaction date, is as follows.

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Within 3 months	**469,960**	376,469
4 to 6 months	**17,125**	11,548
7 to 12 months	**32,890**	26,494
1 to 2 years	**6,321**	16,109
Over 2 years	**1,009**	986
	527,305	431,606

As at 30 June 2013, the fair value of trade payables approximated to their carrying amounts largely due to the short term maturities.

11. INTEREST-BEARING LOANS AND BORROWINGS

As at 30 June 2013, our total current interest-bearing loans and borrowings amounted to RMB40,489,000 and we had no non-current interest-bearing loans and borrowings. The interest-bearing loans and borrowings were unsecured.

Interest-bearing loans and borrowings as at 30 June 2013 included (1) RMB-denominated loans of RMB30,000,000 at an interest rate of 5.488% per annum, which will mature on 16 October 2013; (2) a GBP-denominated overdraft facility with a limit of GBP2,200,000 (equivalent to approximately RMB22,354,000) at an interest rate of Bank of England Base Rate plus 2.30% per annum, which will be terminated on demand. We had utilised GBP1,113,000 (equivalent to approximately RMB10,489,000) as at 30 June 2013.

As at 30 June 2013, the fair value of interest-bearing loans and borrowings approximated to their carrying amounts largely due to the short term maturities.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During the first half of 2013, the U.S. economy recovered gradually, driven by the continuous growth in the property market and private consumption. However, the recession of European economy exacerbated, and the domestic demand of emerging market economies, such as China and Brazil, decreased and experienced slower growth. According to the "World Economic Outlook" published by International Monetary Fund ("IMF") in July 2013, the global economic growth rate for 2013 is expected to reduce to 3.1% and the growth rate for 2014 is expected to be 3.8%, both of which are 0.25% lower than the relevant data released in April 2013.

According to the latest information published by National Bureau of Statistics of China, the growth rates of China's GDP during the first half, first quarter and second quarter of 2013 were 7.6%, 7.7% and 7.5%, respectively. The growth rates continued to decline as a result of slower growth in exports and reduced investment.

BUSINESS REVIEW

During the Period under Review, driven by the increasing popularity of LED lighting products, maturity of LED technology and the continuous decrease in price, domestic LED lighting market and the Group's LED business grew rapidly. By increasing production capacity as well as research and development capability on LED luminaire products, building the brand image of NVC's LED products, and maintaining and expanding our domestic and overseas sales channels, the Group made great efforts to grasp opportunities arising from the development of LED business. The revenue from our LED products sales currently rises to 16.7% of our total revenue. In addition, we have developed a large LED production scale and diversified LED product lines. With the implementation of "Energy-saving Plan on Semiconductor Lighting Industry" and the strong government support for LED products, the Group will be able to seize favourable opportunities of the industry and strengthen our leading position in the market. However, it was inevitable that the business of traditional lighting products was adversely affected and the sales of those products reduced at different degrees. As one aspect waned, the other waxed, the Group recorded only a slight growth in sales. For LED luminaire products, we are still striving for a larger market share and in the process of allocating production capacity, so that their profitability was relatively low during the period. Gross profit of the Group therefore experienced a slight drop during the Period under Review due to the change of product mix.

Sales and distribution

With respect to NVC brand sales in the PRC market, during the Period under Review, the Group had 37 exclusive regional distributors, one more compared with the Corresponding Period. As at 30 June 2013, the Group had a total of 3,201 outlets (31 provincial capitals with a 100.00% coverage rate; 278 municipal cities with a 97.89% coverage rate; 1,284 counties or county-level cities with a 64.95% coverage rate; 679 towns and townships with a 1.99% coverage rate). During the Period under Review, the Group established our official online flagship shop, our sales volume gradually increased, and we actively explored the EMC model. Meanwhile, the Group managed to retain existing Professional Engineering Customers and chain stores customers that can bring repeat sales, while continuously developed the third and fourth tier markets. During the Period under Review, the substitution effect of LED lights on traditional lights became more obvious, with a sharp growth in LED market demand. Leveraging the Group's sales network and brand reputation, total sales of the Group's LED products amounted to RMB281,292,000, representing an increase of 233.9% compared with the Corresponding Period.

Regarding non-NVC brand sales in the PRC market, the Group mainly provided energy-saving lamp tubes, accessories and other products to energy-saving lamp enterprises. During the Period under Review, product selling prices decreased along with the decline in phosphor prices, and market demand was impacted by LED lighting products, resulting in declines in both revenue and gross profit.

Regarding NVC brand sales in the international market, the Group continues to carry out the development strategy of focusing on promoting the sales of NVC brand products supplemented by the production of famous brand products on an ODM/OEM basis, gradually increasing the sales percentage of NVC brand products in overseas markets. The Group establishes the sales channels by sending management staff abroad. During the Period under Review, the Group focused on market developing in France, Romania, Portugal and Mongolia with six new stores opened. Apart from actively expanding in emerging markets, the Group continued to strengthen its position in existing markets, such as Saudi Arabia, Qatar, United Arab Emirates, Brazil, New Zealand and Vietnam. The Group improved its control over sales channel and its ability to capture the market trends.

For non-brand sales in the international market, the Group mainly provided energy-saving lamp, energy-saving tubes and accessories products to internationally renowned lighting enterprises on an ODM basis. During the Period under Review, the Group continued to strengthen its long-term cooperative relationship with overseas customers. The growth in demand from large customers steadily drove up revenue for the sector.

Production Capacity

The Group currently has five production bases, located in Huizhou City in Guangdong Province, Wanzhou District in Chongqing, Jiangshan City in Zhejiang Province (two sites) and Qingpu District in Shanghai. The breakdown of the production capacity of each production base is as follows:

	Luminaire production facilities		**Lamp production facilities**		**Lighting electronic production facilities**
Location	**Huizhou, Guangdong**	**Wanzhou, Chongqing**	**Jiangshan, Zhejiang(1)**	**Jiangshan, Zhejiang(2)**	**Qingpu, Shanghai**
Date of Commencement of production	November 1998	December 2006	September 1994	September 2007	March 2006
Design capacity (units) as at 30 June 2013	30,000,000	28,500,000	139,641,500	62,400,000	5,940,000
Actual production (units) as at 30 June 2013	18,026,894	18,340,106	63,584,263	53,798,765	5,269,021
Average utilisation rate as at 30 June 2013	60.1%	64.4%	45.5%	86.2%	88.7%
Standardised hours of operation	8 hours	8 hours	12 hours	8 hours	8 hours

Notes:

(1) Mainly for production of light tubes for energy-saving lamps;
(2) Mainly for production of energy-saving lamps.

Product Research and Development and Design

The Group has two independent research and development centres. One of them is in Chongqing (focusing on research and development of new product design for luminaire products), and the other is in Shanghai (focusing on research and development of energy-saving technology for lamps and lighting electronic products).

During the Period under Review, the Group invested a total of RMB24,195,000 in research and development projects, representing 1.4% of the Group's revenue. The Group continued to enhance its research and development capability of LED products and was devoted to building a highly competent research and development team. During the Period under Review, the Group developed a total of 14 new series of products, including QR111 lamp, grid spot light, lamp tray, light belt and power source. During the Period under Review, 53 new patent applications were filed, and 16 new patents were approved and granted. Most of them were LED products related patents.

As at 30 June 2013, the Group had a workforce of 283 in design and research and development, of which 106 worked in the Chongqing Research and Development Centre, 59 worked in the Shanghai Research and Development Centre, and the rest worked in other production bases.

Brand promotion

The Group always endeavours to develop "NVC Lighting" as an international lighting brand. The Group has been focusing on brand building and recognition enhancement. During the Period under Review, the Group continued to conduct its brand promotion by launching a series of activities including advertising, media coverage, public relation activities, community charity, marketing and participation in famous domestic and overseas sports events. For instance, we sponsored the "2013 (Tenth Session) Annual Development Forum for China Commercial Property Industry" in March so as to enhance our sales channel expansion in commercial property chain. In May, we participated in the 16th China Chongqing International Investment and Global Sourcing Fair, during which our new LED products became the highlight of the fair. In May, we opened our first NVC flagship shop in United Arab Emirates and Mongolia respectively. In June, NVC Lighting's advertisement appeared in the international friendly football match between China and the Netherlands. The NVC Lighting brand also received widespread recognition and achieved several breakthroughs in the LED field. For example, the Group was awarded "2013 Most Influential Brand in China LED Industry" by Guangdong Semiconductor Lighting Industry Joint Innovation Center and Guangdong Semiconductor Lamp Industry Association. NVC Lighting was named among "Top 500 Most Valuable Brand in China" with a brand value of RMB8.216 billion, ranking the first place in the lighting industry consecutively. We also ranked the first place in "Top 500 First Choice Lighting Brand in China Property Industry" for four consecutive years. All these not only strengthened our position in the traditional lighting field, but also enhanced our brand image in the LED field.

FINANCIAL REVIEW

Revenue

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts. During the Period under Review, the Group recorded revenue of RMB1,688,520,000, representing an increase of 4.6% compared with the Corresponding Period. In particular, revenue of NVC brand products in the PRC market increased by 3.5% compared with the Corresponding Period, attributable to the popularisation of LED concept and an increase in consumer demand which boosted the sales of LED products. On the other hand, revenue of NVC brand products in the overseas markets decreased by 0.1% compared with the Corresponding Period, due to the weak demand resulting from slowdown in growth rate of emerging markets and developing countries and export competitive strength decrease resulting from continuous appreciation of RMB.

Revenue by product segments

The following table sets forth the revenue by product segments (luminaire, lamp and lighting electronic products) and the growth rate of each segment.

	Six months ended 30 June		
	2013	2012	Growth rate
	RMB'000	*RMB'000*	
		(Restated)	
Luminaire products	**902,695**	797,069	13.3%
Lamp products	**653,828**	687,433	-4.9%
Lighting electronic products	**131,997**	129,415	2.0%
Total	**1,688,520**	1,613,917	4.6%

During the Period under Review, the sales of luminaire products increased by 13.3%, primarily attributable to rapid growth of the sales of LED products. The sales of lamp products decreased by 4.9%, primarily due to the sales of traditional incandescent lamps being affected by LED products and the price decline of incandescent lamp products. The sales of lighting electronic products increased by 2.0%, mainly due to the increase in combined sales with luminaire products and steady growth of demand from major clients.

Revenue by NVC brand sales and non-NVC brand sales

The following table sets forth the revenue for sales of NVC brand products and non-NVC brand products and the growth rate of each item. Our non-NVC brand products primarily consist of ODM products.

	Six months ended 30 June		
	2013	2012	Growth rate
	RMB'000	*RMB'000*	
		(Restated)	
NVC brand			
Luminaire products	**856,858**	746,870	14.7%
Lamp products	**169,286**	232,191	-27.1%
Lighting electronic products	**39,131**	55,107	-29.0%
Subtotal	**1,065,275**	1,034,168	3.0%
Non-NVC brand			
Luminaire products	**45,837**	50,199	-8.7%
Lamp products	**484,542**	455,242	6.4%
Lighting electronic products	**92,866**	74,308	25.0%
Subtotal	**623,245**	579,749	7.5%
Total	**1,688,520**	1,613,917	4.6%

Revenue by geographical location

The table below sets forth the Group's revenue from PRC sales and international sales and the growth rate of each item.

	Six months ended 30 June		
	2013	2012	Growth rate
	RMB'000	*RMB'000*	
		(Restated)	
Revenue from PRC sales			
Luminaire products	**723,905**	619,930	16.8%
Lamp products	**352,891**	419,675	-15.9%
Lighting electronic products	**47,247**	59,366	-20.4%
Subtotal	**1,124,043**	1,098,971	2.3%
Revenue from international sales			
Luminaire products	**178,790**	177,139	0.9%
Lamp products	**300,937**	267,758	12.4%
Lighting electronic products	**84,750**	70,049	21.0%
Subtotal	**564,477**	514,946	9.6%
Total	**1,688,520**	1,613,917	4.6%

During the Period under Review, revenue from PRC sales increased by 2.3%, of which the revenue from NVC brand products increased by 3.5% and that of non-NVC brand products decreased by 2.9%. Revenue from international sales increased by 9.6%, of which the revenue from NVC brand products decreased by 0.1% and that of non-NVC brand products increased by 13.7%.

Revenue by energy-saving products and non-energy-saving products

The table below sets forth our revenue by energy-saving products and non-energy-saving products and the growth rate of each item.

	Six months ended 30 June		
	2013	2012	Growth rate
	RMB'000	*RMB'000*	
		(Restated)	
Energy-saving products	**1,228,066**	1,053,515	16.6%
Non-energy-saving products	**460,454**	560,402	-17.8%
Total	**1,688,520**	1,613,917	4.6%

Cost of sales

Cost of sales mainly consists of the cost of raw materials, outsourced manufacturing costs, direct and indirect labour costs and indirect costs. Major raw materials of the Group include iron, aluminium and alloys, fluorescent powder, glass tubes, electronics components and LED packaged chips. Outsourced manufacturing costs primarily include the cost of purchased semi-finished products and finished products produced by other manufacturers and used in the production of our products. Indirect costs primarily include water, electricity, depreciation and amortisation and others. The table below sets forth the composition of our cost of sales:

	Six months ended 30 June			
	2013		2012	
		Percentage in income		*Percentage in income*
	RMB'000	***(%)***	*RMB'000*	*(%)*
			(Restated)	
Raw materials	**986,222**	**58.3%**	832,256	51.6%
Outsourced manufacturing costs	**100,920**	**6.0%**	147,381	9.1%
Labour costs	**155,034**	**9.2%**	161,393	10.0%
Indirect costs	**92,355**	**5.5%**	108,303	6.7%
Total cost of sales	**1,334,531**	**79.0%**	1,249,333	77.4%

During the Period under Review, the Group's cost of sales increased by 6.8%. The Group's cost of sales as a percentage to revenue increased from 77.4%% to 79.0%, resulting in a decrease in gross profit margin from 22.6% to 21.0%, mainly due to the price decline in incandescent lamp products and the changes in product structure.

Gross profit and gross profit margin

Gross profit is the net value calculated as revenue less cost of sales.

During the Period under Review, gross profit was RMB353,989,000, representing a decrease of 2.9% as compared to RMB364,584,000 for the Corresponding Period, primarily reflecting the changes in product structure and the increase in cost. The Group's gross profit and gross profit margin by segments are as follows:

(i) The table below shows the gross profit and gross profit margin by product segments (luminaire, lamp and lighting electronic products):

	Six months ended 30 June			
	2013		2012	
	RMB'000	***(%)***	*RMB'000 (Restated)*	*(%)*
Luminaire products	**214,663**	**23.8%**	192,520	24.2%
Lamp products	**116,239**	**17.8%**	150,772	21.9%
Lighting electronic products	**23,087**	**17.5%**	21,292	16.5%
Total	**353,989**	**21.0%**	364,584	22.6%

During the Period under Review, gross profit of luminaire products was RMB214,663,000, representing an increase of 11.5% compared with the Corresponding Period. Gross profit margin for luminaire products decreased by 0.4% to 23.8%, primarily due to the increase in sales percentage of LED products which currently had a lower gross profit margin. Gross profit of lamp products was RMB116,239,000, representing a decrease of 22.9% compared with the Corresponding Period. Gross profit margin of lamp products decreased by 4.1% to 17.8% compared with the Corresponding Period, primarily due to the price decline in incandescent lamp products with the impact of LED products and an increase in costs resulting from the low capacity utilisation rate. Gross profit of lighting electronic products was RMB23,087,000, representing an increase of 8.4% compared with the Corresponding Period. Gross profit margin of lighting electronic products increased by 1.0% to 17.5%, primarily attributable to the improved product production technology and increased production efficiency.

(ii) The table below shows the gross profit and gross profit margin by our NVC brand products and non-NVC brand products:

	Six months ended 30 June			
	2013		2012	
	RMB'000	***(%)***	*RMB'000 (Restated)*	*(%)*
NVC brand	**251,500**	**23.6%**	255,170	24.7%
Non-NVC brand	**102,489**	**16.4%**	109,414	18.9%
Total	**353,989**	**21.0%**	364,584	22.6%

During the Period under Review, gross profit of NVC brand products was RMB251,500,000, representing a decrease of 1.4% compared with the Corresponding Period, while gross profit margin decreased by 1.1% compared with the Corresponding Period. Gross profit of non-NVC brand products was RMB102,489,000, representing a decrease of 6.3% compared with the Corresponding Period, and gross profit margin decreased by 2.5% compared with the Corresponding Period.

(iii) Gross profit and gross profit margin by PRC sales and international sales

	Six months ended 30 June			
	2013		2012	
	RMB'000	***(%)***	*RMB'000* *(Restated)*	*(%)*
Gross profit from PRC sales:				
Luminaire products	**171,762**	**23.7%**	146,342	23.6%
Lamp products	**58,544**	**16.6%**	89,372	21.3%
Lighting electronic products	**9,384**	**19.9%**	11,772	19.8%
Subtotal	**239,690**	**21.3%**	247,486	22.5%
Gross profit from international sales:				
Luminaire products	**42,901**	**24.0%**	46,178	26.1%
Lamp products	**57,695**	**19.2%**	61,400	22.9%
Lighting electronic products	**13,703**	**16.2%**	9,520	13.6%
Subtotal	**114,299**	**20.2%**	117,098	22.7%
Total	**353,989**	**21.0%**	364,584	22.6%

During the Period under Review, gross profit from PRC sales was RMB239,690,000, representing a decrease of 3.2% as compared with the Corresponding Period, of which gross profit of NVC brand products was RMB214,908,000, representing a decrease of 0.1% as compared with the Corresponding Period, and gross profit of non-NVC brand products was RMB24,782,000, representing a decrease of 23.6% as compared with the Corresponding Period.

During the Period under Review, gross profit from international sales was RMB114,299,000, representing a decrease of 2.4% as compared with the Corresponding Period, of which gross profit of NVC brand products was RMB36,592,000, representing a decrease of 8.8% as compared with the Corresponding Period, and gross profit of non-NVC brand products was RMB77,707,000, representing an increase of 1.0% as compared with the Corresponding Period.

(iv) The table below sets forth a breakdown of the gross profit and gross profit margin of energy-saving products and non-energy-saving products:

	Six months ended 30 June			
	2013		2012	
	RMB'000	***(%)***	*RMB'000 (Restated)*	*(%)*
Energy-saving products	**255,466**	**20.8%**	235,514	22.4%
Compact fluorescent lamps (CFL)	**78,633**	**19.2%**	98,964	22.9%
Light tubes for CFL	**12,145**	**8.0%**	21,732	13.1%
T4/T5 battens	**86,776**	**35.7%**	70,989	30.8%
Electronic ballasts	**15,470**	**15.2%**	9,795	11.5%
HID lamps	**6,465**	**59.8%**	10,132	57.0%
Fluorescent lamps	**6,290**	**22.3%**	9,023	24.5%
LED products	**49,687**	**17.7%**	14,879	17.7%
Non-energy-saving products	**98,523**	**21.4%**	129,070	23.0%
Total gross profit	**353,989**	**21.0%**	364,584	22.6%

During the Period under Review, the Group's gross profit margin of energy-saving products decreased by 1.6% to 20.8% as compared with the Corresponding Period, which was mainly attributable to the decline of the selling price resulting from the changes in market demand for compact fluorescent lamps and light tubes for CFL as well as the changes in structures.

Other income and gains

Our other income and gains mainly consist of trademark licence fees, rental income, gain on sales of scrap materials, government grants and interest income (the breakdown of other income and gains is provided in note 3 to the interim condensed consolidated financial statements on page 11 of this announcement). We received various types of government grants as tax subsidies and incentives for research and development activities and expansion of production for energy-saving lamp products. Government grants are provided by relevant authorities at their discretion, and may not be recurring in nature. We licensed our trademark to a limited number of lighting product manufacturers in the PRC and received one to three percent of the licensees' annual turnover as trademark licence fees. During the Period under Review, other income and gains were RMB43,751,000, representing an increase of 5.8% as compared with the Corresponding Period.

Selling and distribution costs

Our selling and distribution costs mainly consist of freight costs, advertising and promotion expenses, staff costs and others. Others include office expenses, custom clearance expenses, insurance fees, travelling expenses, depreciation and amortisation, consulting fees and other miscellaneous costs.

During the Period under Review, our selling and distribution costs were RMB120,715,000, representing an increase of 11.6% as compared with the Corresponding Period, which was mainly attributable to a rise in labour costs. Our selling and distribution costs as a percentage of revenue rose from 6.7% to 7.1%.

Administrative expenses

Our administrative expenses mainly consist of employee costs, amortisation and depreciation, research and development expenses, bad debt provision, equity-settled share option expenses and others. Others mainly include taxes, office expenses, audit fees, other professional fees and other miscellaneous items. These taxes mainly include land use tax and stamp duty in connection with our administrative functions.

During the Period under Review, administrative expenses were RMB130,064,000, representing a decrease of 38.3% as compared with the Corresponding Period, of which bad debt provision was approximately RMB6,343,000, while bad debt provision of approximately RMB62,332,000 was provided for certain receivables and prepayments in the Corresponding Period. The majority of the related amount was received in the second half of 2012 and the Period under Review. Administrative expenses accounting for the percentage of revenue decreased to 7.7% from 13.1%.

Other expenses

Our other expenses mainly consist of exchange loss, loss on sale of property, plant and equipment, donations and other miscellaneous items.

Finance costs

Our finance costs represent interest on bank loans and other interest expenses.

Share of (loss)/profit of an associate

This item represents the Group's share of the net loss or profit of an associate, Mianyang Leici during the Period under Review and the Corresponding Period.

Income tax expense

During the Period under Review, the Group's income tax expense was RMB29,530,000, representing an increase of 90.1% as compared with the Corresponding Period, which was mainly attributable to deferred tax adjustment resulting from changes in tax rate.

Profit for the period (including profit attributable to non-controlling interest)

Our net profit for the period (including profit attributable to non-controlling interest) amounted to RMB97,666,000 during the Period under Review due to the factors mentioned above.

Exchange differences on translation of foreign operations

During the Period under Review, exchange differences on translation of foreign operations amounted to RMB11,678,000. This loss was primarily derived from the translation of the financial statements of the Company and the overseas subsidiaries which are denominated in foreign currency.

Profit attributable to owners of the parent for the period

Profit attributable to owners of the parent was RMB81,234,000 during the Period under Review due to the factors mentioned above.

Profit attributable to non-controlling interest for the period

During the Period under Review, profit attributable to non-controlling interest was RMB16,432,000.

CASH FLOW AND LIQUIDITY

Cash Flow

The Group met its working capital and other capital requirements principally with the following: (i) cash generated from our operations, and (ii) short-term bank loans. The table below sets out selected cash flow data from our consolidated statement of cash flows.

	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Net cash flows from operating activities	**108,440**	167,600
Net cash flows (used in)/from investing activities	**(174,195)**	16,624
Net cash flows used in financing activities	**(51,630)**	(8,710)
Net (decrease)/increase in cash and cash equivalents	**(117,385)**	175,514
Cash and cash equivalents at beginning of period	**1,200,357**	784,543
Effect of foreign exchange rate changes, net	**(12,650)**	6,251
Cash and cash equivalents as stated in the statement of cash flows	**1,070,322**	966,308
Bank overdraft	**10,489**	7,943
Cash and cash equivalents as stated in the statement of financial position	**1,080,811**	974,251

Net cash flows from operating activities

We derive our cash inflows from operating activities, principally from the receipt of payments for the sale of our products. Our cash used in operating activities is mainly used to pay for goods purchased and costs and expenses relating to operating activities.

During the Period under Review, our net cash flows from operating activities amounted to RMB108,440,000, while our operating cash inflows before changes in working capital amounted to RMB191,951,000. The changes in working capital included: (i) a decrease of RMB113,541,000 in inventories; (ii) an increase of RMB231,366,000 in trade and bills receivables, prepayments, deposits and other receivables; (iii) income tax paid amounted to RMB35,081,000; (iv) an increase of RMB48,971,000 in trade payables, other payables and accruals; (v) a decrease of RMB4,476,000 in other current assets; and (vi) receipt of government grants of RMB15,948,000.

Net cash flows (used in)/from investing activities

Our cash flows used in investing activities mainly consist of payments for purchases of property, plant and equipment, intangible assets other than goodwill and investment in time deposits.

During the Period under Review, our net cash flows used in investing activities amounted to RMB174,195,000, which were mainly used for purchases of items of property, plant and equipment and intangible assets other than goodwill and an increase in time deposits with original maturity of more than three months since acquired, totalling RMB182,769,000, which were partly offset by interest income of RMB8,216,000 and the proceeds of RMB358,000 from disposal of property, plant and equipment and intangible assets other than goodwill.

Net cash flows used in financing activities

Our cash flows from financing activities come from proceeds from new bank loans. Our cash flows used in financing activities consist of payments of bank loan principal and interest.

During the Period under Review, our net cash inflows used in financing activities amounted to RMB51,630,000. Our cash inflows were from the proceeds of RMB30,000,000 from new bank loans. Such cash outflows included RMB81,630,000 for the payment of principal and interest of bank loans.

Liquidity

Net current assets and working capital sufficiency

The table below sets out our current assets, current liabilities and net current assets as at the end of the Period under Review.

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
CURRENT ASSETS		
Inventories	**567,429**	698,400
Trade and bills receivables	**1,064,420**	818,890
Prepayments, deposits and other receivables	**69,052**	94,005
Other current assets	**11,603**	16,079
Short-term deposits	**489,862**	379,233
Cash and cash equivalents	**1,080,811**	1,214,744
	3,283,177	3,221,351
Non-current assets classified as held for sale	**17,606**	17,606
Total current assets	**3,300,783**	3,238,957

	30 June 2013	31 December 2012
	RMB'000	*RMB'000*
CURRENT LIABILITIES		
Trade payables	**527,305**	431,606
Other payables and accruals	**262,897**	282,523
Interest-bearing loans and borrowings	**40,489**	94,387
Government grants	**6,429**	6,208
Income tax payable	**14,222**	24,975
Total current liabilities	**851,342**	839,699
NET CURRENT ASSETS	**2,449,441**	2,399,258

As at 30 June 2013 and 31 December 2012, total net current assets of the Group amounted to RMB2,449,441,000 and RMB2,399,258,000, respectively, and the current ratios were 3.88 and 3.86, respectively. In light of our current liquidity position, the unutilised banking facilities available to the Group and our projected cash inflow generated from operations, the Directors believe that we have sufficient working capital for our present requirements and for the next 12 months.

Capital management

The following table presents our gearing ratios as at the end of the Period under Review.

	30 June 2013	31 December 2012
	RMB'000	*RMB'000*
Interest-bearing loans and borrowings	**40,489**	94,387
Total debt	**40,489**	94,387
Less: cash and short-term deposits	**(1,570,673)**	(1,593,977)
Net debt	**N/A**	N/A
Total equity attributable to owners of the parent	**3,543,476**	3,511,701
Gearing ratio	**N/A**	N/A

The primary objective of our capital management is to maintain the stability and growth of the Company's financial conditions. We regularly review and manage our capital structure and make corresponding adjustments, taking into consideration changes in economic conditions, our future capital needs, prevailing and projected profitability and operating cash flows, projected capital expenditures and projected strategic investment opportunities. We manage our capital through monitoring our gearing ratio (which is calculated as net debt divided by the total equity attributable to the owners of the parent). Net debt is the balance of interest-bearing loans and borrowings, less cash and short-term deposits.

Capital expenditure

We finance our capital expenditure from cash generated from operations and bank loans. Our capital expenditure primarily relates to expenditure on property, plant and equipment, prepaid land lease payments and intangible assets other than goodwill. During the Period under Review, our capital expenditure amounted to RMB76,289,000, mainly including (i) RMB42,080,000 invested in plant and machinery, mainly used for investment in Huizhou LED production equipment, non production equipment and moulds; and (ii) RMB25,787,000 invested in buildings, mainly used in construction of Huizhou NVC phase-5 plant and the new Sunny industrial park office building complex.

Pledge of assets

As at 30 June 2013, the Group had pledged time deposits of RMB9,950,000 to secure the issuance of letters of credit or as guarantee for fulfilling contractual obligations.

Off-balance sheet arrangement

We did not have any outstanding derivative financial instruments or off-balance sheet guarantees for outstanding loans. We did not engage in trading activities involving non-exchange traded contracts.

Contingent liabilities

As at 30 June 2013, the Group had no material contingent liabilities.

Capital commitments

As at 30 June 2013, we had capital commitments of RMB114,455,000 in respect of acquisition of property, plant and equipment. The details are set out below:

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Contracted but not provided for		
Property, plant and equipment	**19,971**	16,272
Authorised but not contracted for		
Property, plant and equipment	**94,484**	163,721
Intangible assets other than goodwill	**–**	50
Total	**114,455**	180,043

In addition to the capital commitments mentioned above, we had the following operating lease commitments as at the end of the Period under Review.

Operating leases

During the Period under Review, we entered into non-cancellable operating leases. The table below sets forth our future minimum rental payments under non-cancellable operating leases as at the dates indicated.

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Within one year	**7,376**	10,925
In the second to fifth years, inclusive	**10,785**	12,361
Total	**18,161**	23,286

As a lessor, we lease plant and offices under operating lease arrangements, with lease negotiated for terms ranging from one to five years. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. As at the end of the Period under Review, we had total future minimum lease receivables under non-cancelable operating leases as follows:

	30 June 2013 *RMB'000*	31 December 2012 *RMB'000*
Within one year	**1,806**	2,881
In the second to fifth years, inclusive	**1,129**	1,743
Total	**2,935**	4,624

PROSPECTS

As China continues to promote energy conservation and emission reduction by putting LED lighting products into the promotional subsidy list, local governments have responded positively by strongly supporting the LED industry. In addition, energy-saving and eco-friendly LED lighting products enjoyed a narrowing price gap with traditional lighting products, which in turn fuels rapid growth in the market demand for LED lighting, and led to rapid consumption of the production capacity of midstream packaging and upstream epitaxial wafers and chips. According to a market forecast, the LED lighting market in China will reach RMB32.4 billion by 2013 with an annual growth of 36%.

Consolidate domestic markets and exploit potential within cities and towns

Lured by the prospects of the giant lighting market in China, enterprises at home and overseas line up to fight for their market share amid fierce competition. Leveraging our national marketing network and our absolute edge on brands, we managed to achieve rapid growth in our LED lighting products. At present, we have 37 exclusive regional distributors and 3,201 exclusive outlets covering 2,272 cities. All the first and second tier markets are nearly covered while the coverage rate in the third and fourth tier markets is rising. We will continue to optimise traditional channels, expand the brand customer base and offer better service for our different customer groups in the future.

As urbanisation accelerates, new opportunities arise for LED enterprises. With the strong brand influence, a professional service management team and an extensive sales network, we will keep on exploiting the third and fourth tier markets which are nearly untapped, making great effort to offer services in villages and towns, and conducting terminal sales promotion as a breakthrough, in order to increase our market share in the future.

Accelerate expansion in overseas markets and establish global sales network

For NVC brand overseas markets, we will continue to establish branch companies, develop distributors and open exclusive outlets. We will enhance our brand influence by exerting greater product influence and raise the status of the NVC brand in the international market through growing export sales. We will refer to the UK experience and accelerate our expansion with strict risk and cost control measures in overseas markets. We plan to open 8 overseas exclusive outlets in Brazil, Saudi Arabia, Vietnam, Indonesia and Russia in the second half of the year. We also will focus on the Indian and Brazilian markets, and are considering establishing overseas branch companies and offering a regional exclusive distribution right instead of a national exclusive right. In addition, we plan to establish bonded logistics warehouses in the Middle East to improve logistics in the Middle East and increase the sales in various countries of the Middle East.

Regarding Non-NVC overseas market we are also on track to expand our ODM/OEM business. We provide services to famous multinational enterprises and build long term partnerships with them in order to gain economies of scale and capture the developing trend of product technology.

Follow a strategy of sports-related marketing, strengthen research and development of technology and build a world brand

Since our establishment, we continue to step up efforts in brand-building and research and development of technology according to our business philosophy “To become a world brand and the best player in the industry”. We follow a strategy of sports-related marketing on a constant basis and establish a respectable world-class lighting brand. In addition, we participate in various sports events at home and overseas to enhance the worldwide popularity and influence of the NVC brand. In July, we signed a contract to become a naming partner of Fédération Internationale de Natation (FINA) from 2014 to 2017. The NVC brand will be introduced to the world through such top sports events.

In addition, we also continue to strengthen our research and development of technology capability. During the Period under Review, our research and development costs amounted to RMB24,195,000, and we have launched new LED products and constantly improved product quality, establishing good reputation across the industry. In the future, we will continue to satisfy clients’ more extensive needs with a professional and dedicated spirit. An LED series product mix will also be completed this year and form a one-stop solution for LED lighting, with a view to bring about a lighting environment of beauty, comfort, safety and energy saving.

As the new LED era approaches, with our various strengths such as our own brand, channels and technology, we will increase the investment in research and development in respect of the LED industry. Leveraging cooperation with Elec-Tech International Co., Ltd. (廣東德豪潤達電氣股份有限公司), we will continue to enhance our leading position in the industry by resources integration, and smooth restructuring.

CONTINUING CONNECTED TRANSACTIONS

The continuing connected transactions of the Group for the Period under Review were within the annual caps as disclosed in the announcements dated 19 December 2012 and 11 June 2013, respectively.

MERGERS AND ACQUISITIONS

The Group made no acquisition, merger or sale of subsidiaries and associates for the Period under Review.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

We did not use the proceeds from the Global Offering in a manner different from that detailed in the Prospectus of the Company dated 7 May 2010.

MARKET RISKS

We are exposed to various market risks in the ordinary course of business. Our risk management strategy aims to minimise the adverse effects of these risks on our financial results.

Foreign currency risk

We have transactional currency exposure. Such exposure arises from sales by an operating unit in currencies other than its functional currency. Sales of products by our PRC entities to overseas customers are predominantly conducted in US dollars. As a result, we are exposed to fluctuations in the exchange rate between the US dollar and the RMB. During the Period under Review, the Group had no hedging arrangement in place with respect to the foreign exchange exposure, and did not experience any material difficulties or negative effects on our operations or liquidity as a result of fluctuations on currency exchange rates.

Commodity price risk

We are exposed to fluctuations in the prices of raw materials which are influenced by global as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect our financial performance. We have not entered into any commodity derivative instruments to hedge the potential commodity price changes.

Liquidity risk

We monitor our risk of having a shortage of funds by considering the maturity of our financial instruments, financial assets and liabilities and projected cash flows from operations. Our objective is to maintain a balance between continuity and flexibility of funding through the use of bank loans and other interest-bearing loans. Our Directors have reviewed our working capital and capital expenditure requirements and confirmed that we have no significant liquidity risk.

Credit Risk

The major credit risk arises from our exposure to a substantial number of trade receivables from debtors. We have policies in place to ensure that the sales of products are made to customers with an appropriate credit limit, and we have strict control over credit limits of trade receivables. Our cash and short-term deposits are mainly deposited with registered banks in China and Hong Kong. We also have policies that limit our credit exposure to any financial institution. The carrying amounts of trade and bills receivables, prepayments, deposits and other receivables, cash and cash equivalents and short-term deposits included in the consolidated balance sheet represent our maximum exposure to credit risk in relation to our financial assets. We have no other financial assets which carry significant exposure to credit risk. In 2012, we entered into several one-year insurance contracts with China Export & Credit Insurance Corporation, which covered up to 85% uncollectible receivables from domestic sales and 90% uncollectible receivables from overseas sales during the period from 1 December 2012 to 30 November 2013, subject to a maximum compensation amount of RMB25,200,000 for domestic sales and a maximum compensation amount of US$30 million (equivalent to RMB185,361,000) for overseas sales. We purchased such insurance in order to minimise our exposure to credit risk as we expand our business. We plan to renew such insurance contracts as they become due.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK1 cent per share for the six months ended 30 June 2013 (Corresponding Period: HK1 cent per share) to shareholders whose names appear on the register of members of the Company on 19 September 2013, Thursday. Based on the 3,128,448,000 shares in issue as at 30 June 2013, it is expected that the interim dividend payable will amount to approximately HK$31,284,000 (equivalent to approximately RMB24,921,000) (before tax).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 16 September 2013, Monday to 18 September 2013, Wednesday (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by share certificates and transfer forms must be lodged with the Company's Branch Share Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:30 p.m. on 13 September 2013, Friday.

EMPLOYEES

On 30 June 2013, the Group had approximately 10,070 employees (31 December 2012: 9,767). The Group will regularly review remuneration and benefits of its employees according to the relevant market practice and individual performance of the employees. In addition to basic salary, employees are entitled to other benefits including social insurance contribution, employee provident fund schemes, discretionary incentive and share option schemes.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Period under Review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Directors are of the opinion that, during the Period under Review, the Company had complied with the principles and codes provisions set out in the Code, except for Code Provision A.5.1 which requires that the Nomination Committee should be chaired by the chairman of the Board or an independent non-executive director and the majority of its members should be independent non-executive directors. Mr. YUNG Tse Kwong, Steven retired as an Independent Non-executive Director of the Company on 21 June 2013. Therefore, he was no longer the chairman of the Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee. His resignation resulted in the Company's non-compliance with Code Provision A.5.1 and Rule 3.21 of the Listing Rules. On 30 July 2013, the Board has re-appointed the members of the Board Committees to comply with Code Provision A.5.1 and Rule 3.21 of the Listing Rules. Save as disclosed above, the Company had fully complied with the principles and code provisions set out in the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct regarding directors' securities transactions. Specific enquiry has been made to all Directors, and the Directors have confirmed that they had complied with all relevant requirements as set out in the Model Code during the Period under Review.

AUDIT COMMITTEE

The Company established an audit committee in compliance with the Listing Rules with written terms of reference. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. During the Period under Review, Mr. YUNG Tse Kwong, Steven retired as an Independent Non-executive Director with effective from 21 June 2013. As a result, he ceased to be a member of the Audit Committee. The Board re-appointed the members of the Audit Committee on 30 July 2013. Currently, the Audit Committee consists of 3 members, namely Independent Non-executive Director Mr. WANG Jinsui, Independent Non-executive Director Mr. LEE Kong Wai, Conway and Non-executive Director Mr. LIN Ho-Ping, respectively. Mr. LEE Kong Wai, Conway has been appointed as the chairman of the Audit Committee. The Audit Committee has reviewed and discussed the interim results for the six months ended 30 June 2013.

REMUNERATION COMMITTEE

The Company established a remuneration committee in compliance with the Listing Rules with written terms of reference. Its primary duties are to establish and review the policy and structure of remuneration for the Directors and senior management. During the Period under Review, Mr. YAN Andrew Y and Mr. YUNG Tse Kwong, Steven resigned and retired as Non-executive Director and Independent Non-executive Director with effective from 3 April 2013 and 21 June 2013, respectively. As a result, they ceased to be members of the Remuneration Committee. The Board re-appointed the members of the Remuneration Committee on 30 July 2013. Currently, the Remuneration Committee consists of 5 members, namely Non-executive Director Mr. ZHU Hai, Independent Non-executive Director Mr. WANG Jinsui, Independent Non-executive Director Mr. LEE Kong Wai, Conway, Executive Director Mr. WU Changjiang and Independent Non-executive Director Ms. WU Ling, respectively. Mr. WANG Jinsui has been appointed as the chairman of the Remuneration Committee.

NOMINATION COMMITTEE

The Company established a nomination committee in compliance with the Code with written terms of reference. Its primary duties are to review the structure and composition of the Board, make recommendation to the Board on the appointment, re-appointment of Directors and succession planning for Directors and assess the independence of Independent Non-executive Directors. During the Period under Review, Mr. YUNG Tse Kwong, Steven retired as an Independent Non-executive Director with effective from 21 June 2013. As a result, he ceased to be the chairman of the Nomination Committee. The Board re-appointed the members of the Nomination Committee on 30 July 2013. Currently, the Nomination Committee consists of 3 members, namely Non-executive Director Mr. WANG Donglei, Independent Non-executive Director Mr. LEE Kong Wai, Conway and Independent Non-executive Director Ms. WU Ling, respectively. Mr. WANG Donglei has been appointed as the chairman of the Nomination Committee.

STRATEGY AND PLANNING COMMITTEE

The Company established a Strategy and Planning Committee under the Board on 30 July 2013, with its primary duties to propose and formulate the strategic development plan of the Company for Board's consideration. The Strategy and Planning Committee consists of 5 members, namely Non-executive Director Mr. WANG Donglei, Executive Director Mr. WU Changjiang, Independent Non-executive Director Ms. WU Ling, Independent Non-executive Director Mr. WANG Jinsui and Non-executive Director Mr. ZHU Hai, respectively. Mr. WANG Donglei has been appointed as the chairman of the Strategy and Planning Committee.

APPOINTMENT AND RESIGNATION OF DIRECTORS AND CHANGE IN DIRECTORS' INFORMATION

From 1 January 2013 to the date of this announcement, the appointment, resignation and retirement of Directors and changes in the Directors' information of the Company are as follows:

Mr. WANG Donglei has been appointed as a Non-executive Director of the Company with effective from 11 January 2013.

Mr. YAN Andrew Y has resigned as the Chairman and Non-executive Director of the Company with effective from 4 April 2013.

Mr. WANG Donglei has been appointed as the Chairman of the Company with effective from 3 April 2013.

Mr. YUNG Tse Kwong, Steven has retired as an Independent Non-executive Director of the Company with effective from 21 June 2013.

Mr. WU Changjiang has been appointed as an Executive Director of the Company with effective from 21 June 2013.

Mr. WANG Dongming has been appointed as an Executive Director of the Company with effective from 21 June 2013.

Ms. WU Ling has been appointed as an Independent Non-executive Director of the Company with effective from 21 June 2013.

Mr. LEE Kong Wai, Conway, an Independent Non-executive Director of the Company, ceased to be the Independent Non-executive Director of China Taiping Insurance Holdings Company Limited (中國太平保險控股有限公司) (a company listed on the main board of the Hong Kong Stock Exchange) with effective from 27 August 2013.

CHANGE OF ADDRESS OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board of the Company hereby announces that the Company's principal place of business in Hong Kong will be relocated to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 3 September 2013.

PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Group's reviewed interim results will be included in the Company's interim report for the six months ended 30 June 2013 which will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.nvc-lighting.com.cn and will be dispatched to the Company's shareholders in due course.

APPRECIATION

The Board would like to take this opportunity to express its appreciation to the management team and staff of the Group for their contribution during the Period under Review and also to give our sincere gratitude to all our shareholders for their continuous support.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings.

"China" or "PRC"	the People's Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to "China" and the "PRC" do not apply to Taiwan, the Macau Special Administrative Region and the Hong Kong Special Administrative Region.
"Chongqing Lighting"	NVC Lighting (Chongqing) Co., Ltd* (重慶雷士實業有限公司), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 7 November 2011 and our indirect wholly-owned subsidiary.
"Chongqing NVC"	Chongqing NVC Lighting Co., Ltd.* (重慶雷士照明有限公司), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 1 December 2006 and our direct wholly-owned subsidiary.
"Code"	the Corporate Governance Code as set out in the Appendix 14 to the Listing Rules.

"Company" or "our Company"	NVC Lighting Holding Limited (雷士照明控股有限公司), a company incorporated in the British Virgin Islands on 2 March 2006 and subsequently redomiciled to the Cayman Islands on 30 March 2010 as an exempted company with limited liability under the laws of the Cayman Islands.
"Corresponding Period"	means the six months ended 30 June 2013 or the six months ended 30 June 2012 (as the context may require).
"Director(s)"	the director(s) of the Company.
"EMC model"	EMC model, i.e. contract energy management, an energy-saving investment model which uses the fees for energy saved to pay for all of the costs in an energy-saving project. This model enables users to apply the income from energy saving in the future to upgrade the factories and facilities, lower current operation costs and increase the energy utilization efficiency.
"Energy-saving lighting products"	CALI (the China Association of Lighting Industry) defines energy-saving lighting products in China as typically consisting of compact fluorescent lamps, fluorescent lamps and supporting lighting fixtures, LED lamps, HID lamps and electronic ballasts. CALI's standard is based on the "Interim Measures on Funding Management of Fiscal Subsidies for Promotion of High-Efficiency Products" as well as the SA (the Standardisation Administration of the PRC) standards, which is in line with the CQC (the China Quality Certification Centre) List.
"Group"	our Company and its subsidiaries.
"GBP"	Great Britain Sterling Pound, the lawful currency of the United Kingdom.
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong.
"Hong Kong"	the Hong Kong Special Administrative Region of People Republic of China.
"Huizhou NVC"	Huizhou NVC Lighting Technology Co., Ltd.* (惠州雷士光電科技有限公司), a wholly foreign-owned enterprise with limited liability incorporated in the PRC on 29 April 2006 and our direct wholly-owned subsidiary.
"HID"	High intensity discharge.
"Jiangshan Phoebus"	Jiangshan Phoebus Lighting Electron Co., Ltd.* (江山菲普斯照明有限公司), a limited liability company incorporated in the PRC on 8 March 2006 and our indirect wholly-owned subsidiary.

"LED"	Light-emitting diode.
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.
"Mianyang Leici"	Mianyang Leici Electronic Technology Co., Ltd.* (綿陽雷磁電子科技有限公司), a limited liability company incorporated in the PRC, 35% of its equity interest being held by Huizhou NVC and its remaining equity interest being held by China Electronics Technology Group Corporation No. 9 Academy* (中國電子科技集團第九研究所) (as to 36%), WEN Jiatao (文家濤) (as to 15%) and ZHAO Qiyi (趙七一) (as to 14%).
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.
"ODM"	Original design manufacturing, a type of manufacturing under which the manufacturer is responsible for the design and production of the products and the products are marketed and sold under the customer's brand name.
"OEM"	Original equipment manufacturing whereby products are manufactured in accordance with the customer's design and specification and are marketed under the customer's brand name.
"Professional Engineering Customers"	Professional engineering customers mainly represent professional engineering projects in connection with railways, highways, airports, subways, tunnels, bridges, municipal lighting, energy efficiency remodification and reconstruction and construction of urban infrastructure.
"Period under Review"	the six months ended 30 June 2013.
"RMB"	Renminbi, the lawful currency of the PRC.
"Shanghai Arcata"	Shanghai Arcata Electronics Co., Ltd.* (上海阿卡得電子有限公司), a limited liability company incorporated in the PRC on 22 September 2005 and our indirect wholly-owned subsidiary.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.
"Sunny"	Zhejiang Jiangshan Sunny Electron Co., Ltd.* (浙江江山三友電子有限公司), a limited liability company incorporated in the PRC on 2 July 1994 and our indirect wholly-owned subsidiary.
"US$" or "US dollars"	United States dollars, the lawful currency of the United States.
"we", "us" or "our"	our Company or our Group (as the context may require).

“Zhangpu Phoebus” Zhangpu Phoebus Lighting Co., Ltd.* (漳浦菲普斯照明有限公司), a limited liability company incorporated in the PRC on 9 May 2004 and our indirect wholly-owned subsidiary.

“Zhejiang NVC” Zhejiang NVC Lamps Co., Ltd.* (浙江雷士燈具有限公司), a limited liability company incorporated in the PRC on 28 September 2007, 51% equity interest of which is held by Huizhou NVC and the remaining 49% equity interest of which is held by Zhejiang Tonking Investment Co., Ltd..

* *denotes English translation of the name of a Chinese company or entity and is provided for identification purposes only.*

By Order of the Board
NVC LIGHTING HOLDING LIMITED
Wang Donglei
Chairman

Hong Kong, 28 August 2013

As at the date of this announcement, the Board consists of the following directors:

Executive Directors:
MU Yu
WU Changjiang
WANG Dongming

Non-executive Directors:
LIN Ho-Ping
ZHU Hai
WANG Donglei

Independent Non-executive Directors:
WANG Jinsui
LEE Kong Wai, Conway
WU Ling