



Rising Power Group Holdings Limited

昇力集團控股有限公司

(formerly known as “China Neng Xiao Technology (Group) Limited 中國能效科技(集團)有限公司”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This announcement, for which the directors of Rising Power Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

For the six months ended 30 September 2013

- the turnover from continuing operations of the Group was approximately HK\$10,164,000 as compared to the turnover of approximately HK\$6,754,000 recorded in the corresponding period last year.
- the loss of the Group was approximately HK\$16,084,000 (2012: profit of approximately HK\$842,000).
- the loss attributable to equity holders of the Company was approximately HK\$13,508,000 (2012: loss of approximately HK\$4,087,000).
- the directors do not recommend the payment of an interim dividend (2012: Nil).
- the loss per share of the Company was approximately HK3.62 cents (2012: loss of approximately HK1.38 cents (adjusted)).

FINANCIAL RESULTS

The board of directors (the “Board”) of the Company announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months and six months ended 30 September 2013 together with the comparative unaudited figures for the corresponding periods in 2012 respectively as follows:

Consolidated Statement Of Comprehensive Income (Unaudited)

For the three months and six months ended 30 September 2013

		Six months ended 30 September 2013 (Unaudited) HK\$'000		Three months ended 30 September 2013 (Unaudited) HK\$'000	
	Notes	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Continuing operations					
Turnover	3	10,164	6,754	1,469	2,949
Cost of services rendered and cost of goods sold		(9,156)	(1,064)	(1,341)	(254)
Gross profit		1,008	5,690	128	2,695
Other revenue	3	217	57	164	27
Other income	4	234	–	82	–
Selling and distribution costs		(1,196)	(2,805)	(700)	(1,286)
Administrative expenses		(15,990)	(10,894)	(10,663)	(6,261)
Finance costs		–	(6)	–	(6)
Share of results of associates		(357)	–	467	–
Loss before taxation	6	(16,084)	(7,958)	(10,522)	(4,831)
Income tax expenses	7	–	(2)	–	(1)
Loss for the period from continuing operations		(16,084)	(7,960)	(10,522)	(4,832)
Discontinued operations					
Profit for the period from discontinued operations	8	–	8,802	–	3,972
(Loss)/Profit for the period		(16,084)	842	(10,522)	(860)

Consolidated Statement Of Comprehensive Income (Unaudited)
(continued)

For the three months and six months ended 30 September 2013

	Six months ended 30 September		Three months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Notes				
Other comprehensive income for the periods, net of tax				
Exchange differences on consolidation	162	–	(1)	–
Total comprehensive (loss) income for the period	(15,922)	842	(10,523)	(860)
(Loss) Profit for the period attributable to:				
Equity holders of the Company	(13,508)	(4,087)	(9,248)	(3,026)
Non-controlling interests	(2,576)	4,929	(1,274)	2,166
	(16,084)	842	(10,522)	(860)

Consolidated Statement Of Comprehensive Income (Unaudited)

(continued)

For the three months and six months ended 30 September 2013

	Notes	Six months ended 30 September		Three months ended 30 September	
		2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Total comprehensive (loss)					
income attributable to:					
Equity holders of the Company		(13,346)	(4,087)	(9,248)	(3,026)
Non-controlling interests		(2,576)	4,929	(1,275)	2,166
		(15,922)	842	(10,523)	(860)
Dividends	10	–	–	–	–
Loss per share	9		(adjusted)		(adjusted)
From continuing and discontinued operations					
– Basic (cent)		(3.62)	(1.38)	(2.41)	(0.96)
– Diluted (cent)		(3.62)	(1.38)	(2.41)	(0.96)
From continuing operations					
– Basic (cent)		(3.62)	(2.87)	(2.41)	(1.60)
– Diluted (cent)		(3.62)	(2.87)	(2.41)	(1.60)

Consolidated Statement Of Financial Position (Unaudited)

At 30 September 2013

		As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment		1,218	1,222
Interests in associates		22,105	22,462
Intangible assets		821	800
Goodwill	13	42,308	42,308
		66,452	66,792
Current assets			
Trade and other receivables	11	65,245	31,132
Bank balances and cash		110,187	79,985
		175,432	111,117
Current liabilities			
Trade and other payables	12	21,384	20,048
Tax payable		2,243	2,187
Promissory note		–	986
		23,627	23,221
Net current assets		151,805	87,896
Total assets less current liabilities		218,257	154,688

Consolidated Statement Of Financial Position (Unaudited)

(continued)

At 30 September 2013

	Notes	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
Non-current liabilities			
Other non-current liabilities		2,469	2,469
Promissory notes		–	4,373
		2,469	6,842
NET ASSETS		215,788	147,846
Capital and reserves			
Share capital		4,418	33,387
Reserves		209,674	110,187
Equity attributable to equity holders of the Company		214,092	143,574
Non-controlling interests		1,696	4,272
TOTAL EQUITY		215,788	147,846

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2013

	Reserves										
	Issued Share capital (Unaudited) HK\$'000	share premium (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Exchange reserve (Unaudited) HK\$'000	Warrant reserve (Unaudited) HK\$'000	Statutory reserve (Unaudited) HK\$'000	Retained profits/ (accumulated losses) (Unaudited) HK\$'000	Total reserve (Unaudited) HK\$'000	Sub-total (Unaudited) HK\$'000	Non- controlling interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
At 1 April 2012	69,039	139,706	252,576	8,806	240	3,064	(364,366)	40,026	109,065	13,365	122,430
Profit (loss) for the period	-	-	-	-	-	-	(4,087)	(4,087)	(4,087)	4,929	842
Other comprehensive income											
– Exchange difference on consolidation	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	-	-	(4,087)	(4,087)	(4,087)	4,929	842
Issue of consideration share	17,250	23,805	-	-	-	-	-	23,805	41,055	-	41,055
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	(2,658)	(2,658)
Issue of unlisted warrants	-	-	-	-	1,350	-	-	1,350	1,350	-	1,350
At 30 September 2012	86,289	163,511	252,576	8,806	1,590	3,064	(368,453)	61,094	147,383	15,636	163,019
At 1 April 2013	33,387	55,357	485,118	8,428	240	2,438	(441,394)	110,187	143,574	4,272	147,846
Loss for the period	-	-	-	-	-	-	(13,508)	(13,508)	(13,508)	(2,576)	(16,084)
Other comprehensive income											
– Exchange difference on consolidation	-	-	-	162	-	-	-	162	162	-	162
Total comprehensive income (loss) for the period	-	-	-	162	-	-	(13,508)	(13,346)	(13,346)	(2,576)	15,922
Issue of shares upon placing	4,223	79,641	-	-	-	-	-	79,641	83,864	-	83,864
Capital reduction and share consolidation	(33,192)	(76,396)	109,588	-	-	-	-	33,192	-	-	-
At 30 September 2013	4,418	58,602	594,706	8,590	240	2,438	(454,902)	209,674	214,092	1,696	215,788

Consolidated Statement Of Cash Flow (Unaudited)

For the six months ended 30 September 2013

	Six months ended 30 September 2013 (Unaudited) HK\$'000	Six months ended 30 September 2012 (Unaudited) HK\$'000
NET CASH USED IN OPERATING ACTIVITIES	(13,119)	(8,686)
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(66)	(276)
Acquisition of subsidiaries	–	(10,784)
Deposit paid for acquisition of subsidiaries	(35,500)	–
Interest received	299	60
NET CASH USED IN INVESTING ACTIVITIES	(35,267)	(11,000)
FINANCING ACTIVITIES		
Repayment of promissory note	(5,276)	(5,000)
Proceeds from issue of shares	83,864	–
Proceeds from issue of warrants	–	1,350
NET CASH FROM (USED IN) FINANCING ACTIVITIES	78,588	(3,650)

Consolidated Statement Of Cash Flow (Unaudited) *(continued)*

For the six months ended 30 September 2013

	Six months ended 30 September 2013 (Unaudited) HK\$'000	Six months ended 30 September 2012 (Unaudited) HK\$'000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,202	(23,336)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	79,985	55,041
	110,187	31,705
Effect of foreign exchange rate changes, net	—	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	110,187	31,705
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	110,187	31,705

Notes:

1. CORPORATE INFORMATION

Rising Power Group Holdings Limited (formerly known as China Neng Xiao Technology (Group) Limited) (the “Company”) is a limited liability company incorporated in Bermuda on 7 June 2001 as an exempted company with limited liability under the Bermuda Companies Act of 1981. The Company’s shares are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is located at Unit 1603, 16/F., Tower 1, Silvercord, 30 Canton Road, Tsim Sha Tsui, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are the provision of integrated solutions for lightning electromagnetic pulse protection business, the provision of payment gateway business and the provision of energy management business.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable 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 and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. The accounting policy adopted are consistent with those set out in the annual financial statements for the year ended 31 March 2013.

3. TURNOVER AND REVENUE

An analysis of the Group's turnover and revenue during the period is as follow:

	Six months ended 30 September		Three months ended 30 September	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Rendering of services	10,164	6,754	1,469	2,949
Turnover	10,164	6,754	1,469	2,949
Interest income	217	57	164	27
Other revenue	217	57	164	27
Total turnover and revenue	10,381	6,811	1,633	2,976

4. OTHER INCOME

	Six months ended 30 September		Three months ended 30 September	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reversal of allowance for bad and doubtful debts	152	—	—	—
Sundry income	82	—	82	—
	234	—	82	—

5. SEGMENT INFORMATION

(a) Business segments

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments.

For the six months ended 30 September

Continuing operations

	Payment gateway business		Energy management business		Lightning electromagnetic pulse business		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue								
Sale/Services to external customers	-	677	10,164	3,124	-	2,953	10,164	6,754
Segment results	-	(4,058)	(1,974)	(179)	(3,749)	1,370	(5,723)	(2,867)
Unallocated income							298	52
Unallocated expenses							(10,302)	(5,143)
Share of results of associates							(357)	-
Loss before taxation							(16,084)	(7,958)
Income tax expenses							-	(2)
Loss for the year from continuing operations							(16,084)	(7,960)

At 30 September 2013

	Payment gateway business		Energy management business		Lightning electromagnetic pulse business		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets and liabilities								
Segment assets	1,733	5,570	42,582	31,688	31,749	88,270	76,064	125,528
Assets relating to discontinued operations							-	47,117
Unallocated assets including interests in associates							165,820	40,544
Consolidated total assets							241,884	213,189
Segment liabilities	2,005	9,671	16,167	2,540	4,955	10,998	23,127	23,209
Liabilities relating to discontinued operations							-	17,112
Unallocated liabilities							2,969	9,849
Consolidated total liabilities							26,096	50,170
Other segment information								
Depreciation								
- Segment	40	32	49	51	11	55	100	138
- Unallocated							-	-
							100	138
Capital expenditure								
- Segment	-	210	67	16	-	123	67	349
- Unallocated							-	-
							67	349

(b) Geographical segment

The Group's operations are primarily derived from external customers based in the PRC and all segment assets are located in the PRC. Accordingly, no geographical information is presented in accordance with HKFRS 8: *Operating Segments*.

6. LOSS BEFORE TAXATION

The Group's loss before taxation from both continuing and discontinued operations is stated after charging the following:

	Six months ended		Three months ended	
	30 September		30 September	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	100	342	48	148

7. TAXATION

Hong Kong Profit Tax has not been provided as the Group incurred a loss for taxation purposes for the period (2012: Nil).

The income tax provision in respect of operations in the PRC is calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 September 2013 (Unaudited) HK\$'000		Three months ended 30 September 2013 (Unaudited) HK\$'000	
	2012 (Unaudited) HK\$'000		2012 (Unaudited) HK\$'000	
Continuing operations				
Current tax				
PRC enterprise income tax				
Current period	–	2	–	1
Overprovision in prior period	–	–	–	–
Income tax expenses from continuing operations	–	2	–	1
Discontinued operations				
Current tax				
PRC enterprise income tax, current period	–	2,707	–	1,005
Total income tax expenses from continuing and discontinued operations	–	2,709	–	1,006

Deferred tax had not been provided for the Group because the Group had no significant temporary differences at the balance sheet date (2012: Nil).

8. DISCONTINUED OPERATIONS

On 12 September 2012, China Optic Communication Technology Limited (“China Optic BVI”), a non-wholly owned subsidiary of the Company which manufactures and trades products related to optimal optical fibers, electric power network systems and equipment and provides associated services, entered into a subscription agreement with an independent third party (the “Investor”) pursuant to which China Optic BVI would allot and issue and the Investor would subscribe for approximately 4.85% of issued share capital of China Optic BVI, at a consideration of HK\$7 million (the “Deemed Disposal”). Upon completion of the Deemed Disposal on 15 December 2012, the Group’s equity interest in China Optic BVI was diluted from 50.1% to 47.67%.

Management considers China Optic BVI whereby the Group had control had been discontinued and thereby constituted discontinued operations. Accordingly, certain comparative figures in the consolidated statement of comprehensive income have been re-presented to separately reflect the results of the continuing operations and discontinued operations. The results of the discontinued operations for the period ended 30 September 2012 have been analysed as follows:

(a) Profit for the period from discontinued operations

	Six months ended 30 September 2012 (Unaudited) HK\$'000
Turnover	15,653
Cost of services rendered and cost of goods sold	<u>(3,870)</u>
	11,783
Other revenue	873
Interest income	3
Selling and distribution costs	(107)
Administrative expenses	<u>(1,043)</u>
	11,509
Profit before taxation	11,509
Income tax expenses	<u>(2,707)</u>
	8,802
Profit for the period from discontinued operations	<u>8,802</u>

(b) The net cash inflows (outflows) attributable to discontinued operations

	Six months ended 30 September 2012 (Unaudited) HK\$'000
Net cash flows	
Operating activities	1,193
Investing activities	(47)
Financing activities	—
Total net cash inflows	1,146

9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to equity holders of the Company for continuing and discontinued operations and the weighted average number of the Company's ordinary shares in issue during the period as follows:

	Six months ended 30 September 2013 (Unaudited) HK\$'000		Three months ended 30 September 2013 (Unaudited) HK\$'000	
	2012 (Unaudited) HK\$'000		2012 (Unaudited) HK\$'000	
Loss attributable to equity holders of the Company from continuing and discontinued operations	(13,508)	(4,087)	(9,248)	(3,026)
Loss attributable to equity holders of the Company from continuing operations	(13,508)	(8,497)	(9,248)	(5,016)
Weighted average number of ordinary shares in issue during the period	373,089,654	295,956,885	383,393,435	313,781,028

10. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2013 (2012: Nil).

11. TRADE AND OTHER RECEIVABLES

		As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
	<i>Notes</i>		
Trade receivables from third parties		105,517	103,814
Allowance for bad and doubtful debts	(ii)	<u>(81,762)</u>	<u>(81,914)</u>
	(i)	<u>23,755</u>	21,900
Other receivables			
Prepayments		2,632	6,950
Deposits		35,689	327
Other receivables		2,894	1,690
Due from associates	(iii)	<u>275</u>	265
		<u>41,490</u>	9,232
		<u>65,245</u>	31,132

(i) Aging of trade receivables

The Group normally grants credit term of 90 days to its customers upon the delivery of products or when the services are rendered. The aging of trade receivables (net of allowances of bad and doubtful debts) based on invoice date is as follows:

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
1 – 90 days	13,360	17,509
91 – 180 days	5,259	1,704
181 – 270 days	1,812	1,481
271 – 365 days	1,051	119
Over 1 year	2,273	1,087
	23,755	21,900

(ii) Allowance for bad and doubtful debts

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
At beginning of reporting period	81,914	78,249
(Decrease) Increase in allowance	(152)	3,665
	81,762	81,914
At end of reporting period		

Included in the Group's trade receivables balance are debtors with a carrying amount of approximately HK\$11,129,000 (31 March 2013: HK\$7,275,000), which were past due at the end of the reporting period but not impaired as there has not been a significant change in credit quality.

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
Current	12,626	14,625
1 – 90 days past due	5,097	4,084
91 – 180 days past due	453	1,807
181 – 270 days past due	2,253	17
271 – 365 days past due	1,137	165
Over 1 year past due	2,189	1,202
	11,129	7,275
	23,755	21,900

(iii) Due from associates

The amounts due are unsecured, interest-free and have no fixed repayment term.

12. TRADE AND OTHER PAYABLES

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
Trade payables	5,008	4,845
Other payables	16,376	15,203
	21,384	20,048

The aging analysis of trade payables, based on invoice date, is as follows:

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
1 to 90 days	1,806	2,302
91 to 180 days	2,372	1,605
over 180 days	830	938
	5,008	4,845

13. GOODWILL

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
At cost less accumulated impairment losses		
At beginning of the reporting period	42,308	40,910
Additions	–	78,473
Deemed disposals	–	(14,875)
Impairment loss	–	(62,200)
At end of the reporting period	42,308	42,308

In November 2011, the Group acquired 51% equity interests in Viva Champion Limited and its subsidiaries (“Viva Group”) engaging in the energy management business (“energy management business”) at an aggregate consideration of HK\$28,997,000. The acquisition generated goodwill of approximately HK\$26,035,000. As at 31 March 2013, the goodwill allocated to the energy management business was impaired by approximately HK\$7,200,000.

The Group has appointed independent professional valuers to perform an annual appraisal of the value of the energy management business as at 31 March 2013 (“2013 valuation”) and 31 March 2012 (“2012 valuation”) respectively. Based on the sales expectation for 2013, the growth assumption used in the 2012 valuation for the year ended 31 March 2014, 2015, 2016 and 2017 were 15.73%, 8.42%, 5.71% and 3% respectively.

As of 31 March 2013, the energy management business had continued to operate on a satisfactory basis but without achieving the targeted results as expected in the 2012 valuation. Based on past performance and the expectation of market development, the growth assumption used in the 2013 valuation for the years ended 31 March 2014, 2015, 2016 and 2017 were revised downwards to 13.7%, 6.5%, 5.34% and 4.17% respectively. Accordingly, an impairment loss on goodwill of approximately HK\$7,200,000 was recognised in 2013.

In May 2012, the Group acquired 55% equity interests in Boomtech Limited and its subsidiaries (“Boomtech Group”) engaging in the electromagnetic protection business (“EPP business”) at an aggregate consideration of HK\$75,305,000. The acquisition generated goodwill of approximately HK\$78,473,000. As at 31 March 2013, the goodwill allocated to the energy management business was impaired by approximately HK\$55,000,000.

As of 31 March 2013, in light of the budget constraint and the changes in senior management of the telecommunication operators, there was an unexpected delay in the completion of certain projects. As a result of the delay and keen competition in the EPP business, the recoverable amount of the EPP business is less than its carrying amount. Accordingly, an impairment loss on goodwill of approximately HK\$55,000,000 was recognised in 2013.

14. OPERATING LEASE COMMITMENTS

The Group leases certain premises under operating lease commitments. Leases for premises are negotiated for terms ranging from 1 to 2 years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30 September 2013 (Unaudited) HK\$'000	As at 31 March 2013 (Audited) HK\$'000
Within one year	308	526

15. EVENTS AFTER THE REPORTING PERIOD

On 8 September 2013, Star Engine Company Limited, wholly-owned subsidiary of the Company, entered into the agreement to purchase 75% of the entire issued share capital of Hong Kong Automobile Restoration Group Limited, at a consideration with maximum amount of HK\$200 million, comprising the initial consideration of HK\$148 million and the possible earn-out consideration with maximum amount of HK\$52 million. The Hong Kong Automobile Restoration Group Limited and its subsidiaries are principally engaged in motor vehicles restoration services including cars detailing, repairing and maintenance services in Hong Kong and Taiwan. Details of the acquisition are set out in the announcement of the Company dated 8 November 2013.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Operational review

Energy conservation (saving) and emission reduction (“Energy Emission Reduction”) is a new line of business developed by the Group. During the period under review, the Group provided resources management services on the infrastructures or facilities for certain telecommunication operators in the PRC. The related projects were completed in Hubei (湖北) and Jiangsu (江蘇). The Energy Emission Reduction business has contributed a turnover of over HK\$9.7 million.

For electromagnetic pulse protection business and energy management business, successful tenders were awarded by from China Unicom in Jilin (吉林) and Hubei (湖北) during the period. The new projects for telecommunication operators are still in preparation stage. Management is optimistic in the upcoming results of the tenders and those new projects will commence in the coming quarters.

Financial review

The Group recorded an increase in turnover from continuing operations of approximately 50% to approximately HK\$10.2 million for the six months period ended 30 September 2013 as compared to approximately HK\$6.8 million for the corresponding period in 2012. The increase in turnover was mainly derived from the Energy Emission Reduction business.

The Group recorded a decrease in gross profit of approximately 82% to approximately HK\$1.0 million in the current period as compared to approximately HK\$5.7 million in the previous year. The decrease in gross profit was mainly due to the majority of revenue was generated from the Energy Emission Reduction business which has a relatively lower gross margin ratio.

During the reporting period, administrative expenses incurred by the Group were approximately HK\$16.0 million (2012: HK\$10.9 million). The increase was mainly due to the increase in professional fee associated with the potential acquisition. Net loss attributable to equity holders of the Company for the six months period ended 30 September 2013 amounted to approximately HK\$13.5 million (2012: HK\$4.1 million).

Liquidity, financial resources and capital structure

As at 30 September 2013, the Group had total assets of approximately HK\$241.9 million (31 March 2013: approximately HK\$177.9 million), including cash and bank balances of approximately HK\$110.2 million (31 March 2013: approximately HK\$80.0 million).

For the period ended 30 September 2013, the Group financed its operations mainly with its own working capital and there were no general banking facilities. There was no charge on the Group's assets as at 30 September 2013 (31 March 2013: Nil).

As at 30 September 2013, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was zero (31 March 2013: Nil). The Group had no bank borrowings as at 30 September 2013 (31 March 2013: Nil).

Exposure to fluctuations in exchange rates and related hedges

Most of the transactions of the Group are denominated in Hong Kong Dollar ("HKD") and Renminbi ("RMB"). The Group adopts a conservative treasury policy with most of the bank deposits being kept in HKD, or in the local currencies of the operating subsidiaries to minimize exposure to foreign exchange risks. As at 30 September 2013, the Group had no foreign exchange contracts, interests or currency swaps or other financial derivatives for hedging purposes.

Material acquisitions and disposal of subsidiaries

During the six months ended 30 September 2013, the Group did not have any material acquisition and disposal of subsidiaries.

Contingent liabilities

The Group had no contingent liability as at 30 September 2013 (31 March 2013: Nil).

Employees and remuneration policies

As at 30 September 2013, the Group had 65 (31 March 2013: 86) employees including directors. Total staff costs (excluding directors' emoluments) amounted to approximately HK\$3,500,000 for the six months ended 30 September 2013, as compared to approximately HK\$4,800,000 in the previous corresponding period. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and basic insurance for the elderly, basic medical insurance, work injury insurance and unemployment insurance to its employees in the PRC.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2013, the interests and short position of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were deemed or taken to have under such provisions of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register to therein, or which were required, pursuant to the 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors, to be notified to the Company and the Stock Exchange, were as follows:

(i) interests in shares:

Name of director	Nature of interests	Number of the shares held	Approximate percentage of issued share capital
Wu Zhinan	Beneficial	5,900,000(L)	1.34%

(L) denotes long position

Save as disclosed above, as at 30 September 2013, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by directors to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2013, other than the interests of directors of the Company as disclosed under the heading “Directors and chief executive’s interests in shares, underlying shares and debentures” above, the interests and short positions of persons, in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register of substantial shareholders required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Nature of interests	Number of the shares held	Approximate percentage of issued share capital
Starryland Profits Limited (Note 1)	Beneficial	51,960,702(L)	11.76%
Lau Kim Hung, Jack (Note 1)	Interests in controlled corporation	51,960,702(L)	11.76%
	Beneficial	672,480(L)	0.15%
	Deemed	322,000(L)	0.07%
Chan Yiu Kan, Katie (Note 1)	Deemed	52,633,182(L)	11.91%
	Beneficial	322,000(L)	0.07%

(L) denotes long position

Note:

1. Starryland Profits Limited, a company incorporated in the British Virgin Islands, is wholly and beneficially owned by Mr. Lau Kim Hung, Jack ("Mr. Lau"). Mr. Lau is deemed to be interested in 51,960,702 shares held by Starryland Profits Limited. In addition, by virtue of being the spouse of Ms. Chan Yiu Kan Katie ("Ms. Chan"), he is also deemed to be interested in 322,000 shares held by Ms. Chan.

Ms. Chan, being the spouse of Mr. Lau, is deemed to be interested in 51,960,702 shares held by Starryland Profits Limited and 672,480 shares held by Mr. Lau.

Mr. Lau and Ms. Chan is the father-in-law and the mother-in-law of Mr. Tsang Ho Ka, Eugene, the Company's chairman and non-executive director.

Save as disclosed above, as at 30 September 2013, the directors of the Company were not aware of any other person (other than the directors of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO or, who is directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SECURITIES

Apart from as disclosed under the section headed "Directors' and chief executive's interests in shares, underlying shares and debentures" above, at no time since incorporation of the Company were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any directors, their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the six months ended 30 September 2013, there were no purchases, sales or redemptions of the Company's listed shares by the Company or any of its subsidiaries.

DIRECTORS' INTEREST IN COMPETING INTERESTS

None of the directors or the management shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) had an interest in a business which competes or may compete with the business of the Group.

PRE-EMPTIVE RIGHT

There are no provisions for pre-emptive rights under the Bye-laws of the Company, or the Bye-laws of Bermuda, which would oblige the Company to offer new shares on a pro rate basis to existing shareholders.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the code of conduct for securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Throughout the period ended 30 September 2013, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has applied the principles in the Code and complied with the code provisions set out in the Code for the period ended 30 September 2013.

NOMINATION COMMITTEE

A nomination committee has been established with written terms of reference in compliance with the GEM Listing Rules. The nomination committee comprises five members, of which one executive director, namely Mr. Chan Francis Ping Kuen and four independent non-executive directors namely Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan, Mr. Cheung Chi Hwa, Justin and Mr. Tam Chak Chi. The chairman of the committee is Mr. Kwok Chi Sun, Vincent.

The nomination committee is mainly responsible for making recommendations to the Board on appointment of directors and succession planning for the directors. The Board took into consideration criteria such as expertise, experience, the market situation and applicable laws and regulations when considering new director appointments.

REMUNERATION COMMITTEE

The remuneration committee was established in January 2006 with written terms of reference in compliance with the code provision. The remuneration committee consists of five members, of which four are independent non-executive directors, namely Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan, Mr. Cheung Chi Hwa, Justin and Mr. Tam Chak Chi and one is executive director being Mr. Chan Francis Ping Kuen. The chairman of the committee is Mr. Kwok Chi Sun, Vincent.

The role and function of the remuneration committee include the determination of the specific remuneration packages of all executive directors, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board of the remuneration of non-executive directors.

AUDIT COMMITTEE

The Company set up an audit committee on 18 October 2001, with written terms of reference in compliance with the GEM Listing Rules, for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the Group. During the period, the audit committee comprises the four independent non-executive directors of the Company, namely, Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan, Mr. Cheung Chi Hwa, Justin and Mr. Tam Chak Chi.

The unaudited financial statements of the Group for the period ended 30 September 2013 have been reviewed by the audit committee, who is of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By order of the Board
Rising Power Group Holdings Limited
Mr. Tsang Ho Ka, Eugene
Chairman and Non-executive Director

Hong Kong, 11 November 2013

As at the date of this announcement, the executive Directors are Ms. Sung Ting Yee, Mr. Wu Zhinan, Mr. Chan Francis Ping Kuen, Mr. Chan Hin Wing, James and Mr. Chum Hon Sing. The non-executive Director is Mr. Tsang Ho Ka, Eugene. The independent non-executive Directors are Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan, Mr. Cheung Chi Hwa, Justin and Mr. Tam Chak Chi.

This announcement will remain on the "Latest Company announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.risingpower.com.hk.