Rising Power Group Holdings Limited
昇力集團控股有限公司

(Proposed to be renamed as "Sky Forever Supply Chain Management Group Limited
宇恒供應鏈集團有限公司")

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached other than companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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.

FINANCIAL RESULTS

The board of directors (the "Board") of Rising Power Group Holdings Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2014 together with the comparative figures for the corresponding year in 2013 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2014

	Note	2014 HK$'000	2013 HK$'000
Continuing operations			
Turnover	5	**14,855**	34,529
Cost of services rendered and cost of goods sold		**(12,340)**	(8,324)
Gross profit		**2,515**	26,205
Other revenue	5	**621**	103
Other income	6	**120**	4,253
Selling and distribution costs		**(6,684)**	(5,094)
Administrative expenses		**(26,648)**	(32,265)
Other operating expenses		**(37,331)**	(62,200)
Share of results of associates		**(12,255)**	2,425
Loss before taxation from continuing operations	7	**(79,662)**	(66,573)
Income tax expenses	8	**(14)**	(2,189)
Loss for the year from continuing operations		**(79,676)**	(68,762)
Discontinued operations			
Profit for the year from discontinued operations	12	**–**	2,089
Loss for the year		**(79,676)**	(66,673)
Other comprehensive income (loss) for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on consolidation		**418**	266
Share of other comprehensive income (loss) of associates		**732**	(127)
		1,150	139
Total comprehensive loss for the year		**(78,526)**	(66,534)
(Loss) Profit attributable to:			
Equity holders of the Company	9	**(76,292)**	(77,654)
Non-controlling interests		**(3,384)**	10,981
		(79,676)	(66,673)
Total comprehensive (loss) income attributable to:			
Equity holders of the Company		**(75,430)**	(77,648)
Non-controlling interests		**(3,096)**	11,114
		(78,526)	(66,534)
Loss per share	11		
From continuing and discontinued operations			
Basic		**(HK18.70 cents)**	(HK42.98 cents)
Diluted		**(HK18.70 cents)**	(HK42.98 cents)
From continuing operations			
Basic		**(HK18.70 cents)**	(HK46.73 cents)
Diluted		**(HK18.70 cents)**	(HK46.73 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment		**1,209**	1,222
Available-for-sale financial assets		**12,450**	–
Interests in associates		**10,939**	22,462
Intangible assets		**–**	800
Goodwill		**10,808**	42,308
		35,406	66,792
Current assets			
Available-for-sale financial assets		**2,564**	–
Trade and other receivables	*13*	**57,263**	31,132
Bank balances and cash		**86,675**	79,985
		146,502	111,117
Current liabilities			
Trade and other payables	*14*	**23,907**	20,048
Tax payable		**2,249**	2,187
Promissory notes		**–**	986
		26,156	23,221
Net current assets		**120,346**	87,896
Total assets less current liabilities		**155,752**	154,688
Non-current liabilities			
Loan from a director		**2,564**	–
Other non-current liabilities		**–**	2,469
Promissory notes		**–**	4,373
		2,564	6,842
NET ASSETS		**153,188**	147,846
Capital and reserves			
Share capital		**4,418**	33,387
Reserves		**147,594**	110,187
Equity attributable to equity holders of the Company		**152,012**	143,574
Non-controlling interests		**1,176**	4,272
TOTAL EQUITY		**153,188**	147,846

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2014

	Attributable to equity holders of the Company										
		Reserves									
	Share capital	Share premium	Contributed surplus	Exchange reserve	Warrant reserve	Statutory reserve	Accumulated losses	Total reserves	Subtotal	Non-controlling interests	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	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
Loss for the year	–	–	–	–	–	–	(77,654)	(77,654)	(77,654)	10,981	(66,673)
Other comprehensive income (loss)											
Items that may be reclassified subsequently to profit or loss											
Exchange differences on consolidation	–	–	–	133	–	–	–	133	133	133	266
Share of other comprehensive loss of associates	–	–	–	(127)	–	–	–	(127)	(127)	–	(127)
Total comprehensive income (loss) for the year	–	–	–	6	–	–	(77,654)	(77,648)	(77,648)	11,114	(66,534)
Transactions with equity holders											
Contributions and distributions											
Issue of consideration shares	17,250	23,805	–	–	–	–	–	23,805	41,055	–	41,055
Share reorganisation and capital reduction	(69,031)	(163,511)	232,542	–	–	–	–	69,031	–	–	–
Issue of unlisted warrants	–	–	–	–	1,350	–	–	1,350	1,350	–	1,350
Exercise of unlisted warrants	2,700	21,600	–	–	(1,350)	–	–	20,250	22,950	–	22,950
Issue of shares upon open offer	9,979	13,138	–	–	–	–	–	13,138	23,117	–	23,117
Issue of shares upon top-up placing	3,450	20,619	–	–	–	–	–	20,619	24,069	–	24,069
Transfer of statutory reserve	–	–	–	–	–	17	(17)	–	–	–	–
Change in ownership interest											
Non-controlling interests arising from acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	(2,592)	(2,592)
Non-controlling interests arising from deemed disposal of subsidiaries	–	–	–	(384)	–	(643)	643	(384)	(384)	(17,615)	(17,999)
	(35,652)	(84,349)	232,542	(384)	–	(626)	626	147,809	112,157	(20,207)	91,950
At 31 March 2013	33,387	55,357	485,118	8,428	240	2,438	(441,394)	110,187	143,574	4,272	147,846

	Attributable to equity holders of the Company										
		Reserves									
	Share capital	Share premium	Contributed surplus	Exchange reserve	Warrant reserve	Statutory reserve	Accumulated losses	Total reserves	Subtotal	Non-controlling interests	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
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 year	–	–	–	–	–	–	(76,292)	(76,292)	(76,292)	(3,384)	(79,676)
Other comprehensive income											
Items that may be reclassified subsequently to profit or loss											
Exchange differences on consolidation	–	–	–	130	–	–	–	130	130	288	418
Share of other comprehensive income of associates	–	–	–	732	–	–	–	732	732	–	732
Total comprehensive income (loss) for the year	–	–	–	862	–	–	(76,292)	(75,430)	(75,430)	(3,096)	(78,526)
Transactions with equity holders											
Contributions and distributions											
Expiry of unlisted warrants	–	–	–	–	(240)	–	240	–	–	–	–
Issue of shares upon placing in April 2013	3,495	21,039	–	–	–	–	–	21,039	24,534	–	24,534
Capital reduction and share consolidation	(33,194)	(76,395)	109,589	–	–	–	–	33,194	–	–	–
Issue of shares upon placing in September 2013	320	25,750	–	–	–	–	–	25,750	26,070	–	26,070
Issue of shares upon top-up placing	410	32,854	–	–	–	–	–	32,854	33,264	–	33,264
Transfer of statutory reserve	–	–	–	–	–	74	(74)	–	–	–	–
	(28,969)	3,248	109,589	–	(240)	74	166	112,837	83,868	–	83,868
At 31 March 2014	**4,418**	**58,605**	**594,707**	**9,290**	**-**	**2,512**	**(517,520)**	**147,594**	**152,012**	**1,176**	**153,188**

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, Kowloon, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are the provision of integrated solution for lightning electromagnetic protection service and the provision of energy management services.

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 “GEM Listing Rules”).

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2013 consolidated financial statements except for the adoption of certain new / revised HKFRSs that are relevant to the Group and effective from the current year as detailed in note 3 to this announcement.

3. ADOPTION OF NEW/REVISED HKFRSs

Amendments to HKAS 1: Presentation of items of other comprehensive income

The amendments to HKAS 1 require entities to group together items within other comprehensive income that will not be reclassified to profit or loss separately from items that may be reclassified subsequently to profit or loss if certain conditions are met. Other than the presentation changes, the application of the amendments does not have an impact on the amounts recognised.

Furthermore, these amendments change the title for the "statement of comprehensive income" to the "statement of profit or loss and other comprehensive income". However, HKAS 1 retains the option to use titles for the statement other than those used in HKAS 1. The Group continues to use the "statement of comprehensive income" instead of the "statement of profit or loss and other comprehensive income".

HKFRS 10: Consolidated financial statements

HKFRS 10, which replaces the requirements in HKAS 27 relating to the preparation of consolidated financial statements and HKSIC–Int 12, introduces a single control model to determine whether an investee should be consolidated. It changes the definition of control by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

In accordance with the transitional provisions of HKFRS 10, the Group reassessed the control conclusion for its investees at the date of initial application. The exercise does not change any of the control conclusions reached by the Group in respect of its involvement with other entities at that date.

HKFRS 12: Disclosure of interests in other entities

HKFRS 12 sets out in a single standard all the disclosure requirements relevant to interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. In general, the disclosures required by HKFRS 12 are more extensive than those previously required by the respective standards.

HKFRS 13: Fair value measurement

This new standard improves consistency by providing a single source of guidance for fair value measurement and disclosures about fair value measurement when such measurement is required or permitted by other HKFRSs. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In accordance with the transitional provisions, the standard has been applied prospectively. Apart from the additional disclosures about fair value measurements for the current year, the application of the new standard does not have any material impact on the amounts recognised.

FUTURE CHANGES IN HKFRSs

At the date of authorisation of these consolidated financial statements, the HKICPA has issued a number of new / revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 27 (2011), HKFRS 10 and HKFRS 12	*Investment Entities* [1]
Amendments to HKAS 32	*Presentation – Offsetting Financial Assets and Financial Liabilities* [1]
Amendments to HKAS 36	*Recoverable Amount Disclosures for Non-Financial Assets* [1]
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting* [1]
HK(IFRIC) – Int 21	*Levies* [1]
Amendments to HKAS 19 (2011)	*Defined Benefit Plans – Employee Contributions* [2]
Various HKFRSs	*Annual Improvements Project – 2010-2012 Cycle* [3]
Various HKFRSs	*Annual Improvements Project – 2011-2013 Cycle* [3]
HKFRS 14	*Regulatory Deferral Accounts* [4]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation* [4]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations* [4]
HKFRS 9	*Financial Instruments* [5]
Amendments to HKFRS 9 and HKFRS 7	*Transition Disclosure of HKFRS 9* [5]
Amendments to HKFRS 9, HKFRS 7 and HKAS 39	*Financial Instruments (Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39)* [5]

1 Effective for annual periods beginning on or after 1 January 2014

2 Effective for annual periods beginning on or after 1 July 2014

3 Effective for annual periods beginning on or after 1 July 2014, except for certain amendments which are effective prospectively for relevant transactions occurred on or after 1 July 2014

4 Effective for annual periods beginning on or after 1 January 2016

5 No mandatory effective date but is available for adoption

The Group does not anticipate that the adoption of these new HKFRSs in future periods will have any material impact on the results of the Group.

4. SEGMENTAL INFORMATION

The Group manages its businesses by individual companies, which are organised by a mixture of both business lines and geographical locations. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision makers, who are the directors of the Company, for the purposes of resource allocation and performance assessment, the Group has presented the following reporting segments. No operating segments have been aggregated to form the following reporting segments:

– Lightning electromagnetic pulse segment which provides integrated solutions for lightning electromagnetic pulse protection and its related engineering design, construction and technical services; and

– Energy management segment which provides energy and other resources management and conservation system and integrated solutions.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision makers monitor the results, assets and liabilities attributable to each reporting segment on the following bases:

Segment assets include all allocated assets with the exception of available-for-sale financial assets and other corporate assets. Segment liabilities include trade and other payables attributable to the sales / service activities of the individual segments.

Revenue and expenses are allocated to the reporting segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. However, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

Information regarding the Group's reporting segments as provided to the Group's chief operating decision makers for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2014 and 2013 is set out below.

Continuing operations

	Lightning electromagnetic pulse protection business		Energy management business		Consolidated	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue						
Sale / Services to external customers	**3,548**	16,090	**11,307**	18,439	**14,855**	34,529
Segment results	**(4,123)**	9,070	**(7,550)**	2,267	**(11,673)**	11,337
Impairment loss of goodwill	**(13,900)**	(55,000)	**(17,600)**	(7,200)	**(31,500)**	(62,200)
Unallocated income					**695**	4,302
Unallocated expenses					**(24,929)**	(22,437)
Share of results of associates					**(12,255)**	2,425
Loss before taxation					**(79,662)**	(66,573)
Income tax expenses					**(14)**	(2,189)
Loss for the year from continuing operations					**(79,676)**	(68,762)
Assets and liabilities						
Segment assets	**17,600**	35,192	**21,430**	40,835	**39,030**	76,027
Unallocated assets, including interests in associates					**142,878**	101,882
Consolidated total assets					**181,908**	177,909
Segment liabilities	**6,482**	4,154	**16,643**	12,941	**23,125**	17,095
Unallocated liabilities					**5,595**	12,968
Consolidated total liabilities					**28,720**	30,063
Other segment information						
Depreciation	**44**	20	**172**	172	**383**	624
Capital expenditure	**233**	133	**90**	328	**323**	461
Goodwill – additions	**–**	78,473	**–**	–	**–**	78,473
Research and development costs	**–**	–	**2,110**	4,582	**2,110**	4,582
Allowance for bad and doubtful debts	**–**	–	**–**	3,510	**–**	3,510
Gain arising from fair value in promissory notes	**–**	1,877	**–**	214	**–**	2,091
Impairment loss of intangible assets	**–**	–	**–**	–	**831**	–
Impairment loss of deposits paid	**–**	–	**–**	–	**5,000**	–

(b) Geographical information

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.

(c) Information about major customers

For the year ended 31 March 2014, a customer (2013: four customers) that individually accounted for over 10% of total revenue for continuing operations of the Group are set out below:

	Lightning electromagnetic pulse protection business		**Energy management business**		**Consolidated**	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Customer A	**2,429**	7,994	**8,865**	1,888	**11,294**	9,882
Customer B	**–**	–	**–**	7,407	**–**	7,407
Customer C	**–**	4,935	**–**	–	**–**	4,935
Customer D	**–**	2,469	**–**	2,099	**–**	4,568
	2,429	15,398	**8,865**	11,394	**11,294**	26,792

5. TURNOVER AND REVENUE

An analysis of the Group's turnover and revenue during the year for continuing operations is as follows:

	2014	2013
	HK$'000	HK$'000
Service income from:		
Lightning electromagnetic pulse protection business	**3,548**	16,090
Energy management business	**11,307**	18,439
Turnover	**14,855**	34,529
Interest income from bank deposits	**576**	103
Interest income from available-for-sale financial assets	**45**	–
Other revenue	**621**	103
Total turnover and revenue	**15,476**	34,632

6. OTHER INCOME

	2014	2013
	HK$'000	HK$'000
Gain arising from fair value change of promissory notes	**–**	2,091
Sundry income	**120**	42
Waiver of amount due to an ex-director	**–**	1,770
Write-back of other payables	**–**	350
	120	4,253

7. LOSS BEFORE TAXATION

Loss before taxation from both continuing and discontinued operations is stated after charging (crediting):

	2014	2013
	HK$'000	HK$'000
Employee benefit expenses (including directors' remuneration)		
Salaries, allowances and benefits in kind	**8,933**	7,426
Contribution to defined contribution schemes	**964**	2,331
	9,897	9,757
Other items		
Allowance for bad and doubtful debts		
Trade receivables	**–**	3,665
Other receivables	**–**	763
Auditor's remuneration	**630**	830
Cost of lightning electromagnetic pulse protection business (including relevant employee benefit expenses and depreciation)	**2,975**	6,569
Cost of energy management business (including relevant employee benefit expenses and depreciation)	**9,365**	5,784
Depreciation of property, plant and equipment	**383**	624
Exchange (gain) loss, net	**(272)**	90
Gain arising from fair value change of promissory notes	**–**	(2,091)
Impairment loss of deposits paid *	**5,000**	–
Impairment loss of goodwill *	**31,500**	62,200
Impairment loss of intangible assets *	**831**	–
Operating lease payments for premises	**862**	1,530
Research and development costs	**2,110**	4,650

* Included in other operating expenses.

8. TAXATION

Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes for the years ended 31 March 2014 and 2013.

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 year based on existing legislation, interpretations and practices in respect thereof.

	2014	2013
	HK$'000	HK$'000
Continuing operations		
Current tax		
PRC enterprise income tax, current year	**14**	2,189
Discontinued operations		
Current tax		
PRC enterprise income tax, current year	**–**	5,676
Total income tax expenses from continuing and discontinued operations	**14**	7,865

Reconciliation of effective tax rate from continuing operations

	2014	2013
	%	%
Applicable tax rate	**(17.3)**	(16.4)
Share of results of associates	**2.5**	(0.6)
Non-deductible expenses	**11.4**	4.2
Non-taxable revenue	**(0.1)**	(1.0)
Unrecognised tax losses	**2.9**	2.5
Unrecognised temporary differences	**0.6**	15.4
Utilisations of previously unrecognised tax losses	**–**	(0.8)
Effective tax rate for the year	**–**	3.3

The applicable tax rate is the weighted average of tax rates prevailing in the territories in which the Group's entities operate.

9. LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss attributable to equity holders of the Company for the year ended 31 March 2014 includes a loss of HK$76,653,000 (2013: HK$88,916,000) which has been dealt with in the financial statements of the Company.

10. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the year (2013: Nil).

11. 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 year as follows:

	2014	2013
	HK$'000	HK$'000
Loss attributable to equity holders of the Company from continuing and discontinued operations	**(76,292)**	(77,654)
Loss attributable to equity holders of the Company from continuing operations	**(76,292)**	(84,434)

	Number of shares	
	2014	2013
Weighted average number of ordinary shares in issue during the year	**407,904,417**	180,692,008

For the years ended 31 March 2014 and 2013, diluted loss per share is the same as basic loss per share as the potential ordinary shares issuable under the unlisted warrants have anti-dilutive effects on the basic loss per share.

12. 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 the results of China Optic BVI whereby the Group had control had been discontinued and thereby constituted discontinued operations. The results and cash flows of China Optic BVI under the discontinued operations for the period from 1 April 2012 to 15 December 2012 had been included in the consolidated statement of comprehensive income for the year ended 31 March 2013, are as follows:

(a) Profit for the year from discontinued operations

	2013 HK$'000
Turnover	23,991
Cost of services rendered and cost of goods sold	(4,029)
	19,962
Other revenue	3
Other income	884
Selling and distribution costs	(155)
Administrative expenses	(1,485)
Profit before taxation	19,209
Income tax expenses	(5,676)
Profit for the year	13,533
Loss on deemed disposal of subsidiaries	(11,444)
Profit for the year from discontinued operations	2,089

(b) Net cash inflows attributable to discontinued operations

	2013 HK$'000
Net cash flows	
Operating activities	2,218
Investing activities	(47)
Financing activities	–
Total net cash inflows	2,171

13. TRADE AND OTHER RECEIVABLES

	Note	2014 HK$'000	2013 HK$'000
Trade receivables from third parties		**103,352**	103,814
Allowance for bad and doubtful debts	*(ii)*	**(85,065)**	(81,914)
	(i)	**18,287**	21,900
Other receivables			
Prepayments		**4,247**	6,950
Deposits	*(iv)*	**32,596**	327
Other receivables		**1,855**	1,690
Due from associates	*(iii)*	**278**	265
		38,976	9,232
		57,263	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 and issuance of invoice. The aging of trade receivables (net of allowances of bad and doubtful debts) based on invoice date is as follows:

	2014 HK$'000	2013 HK$'000
Less than 90 days	**13,830**	17,509
91 – 180 days	**190**	1,704
181 – 270 days	**754**	1,481
271 – 365 days	**1,772**	119
Over 1 year	**1,741**	1,087
	18,287	21,900

(ii) Allowance for bad and doubtful debts

	2014 HK$'000	2013 HK$'000
At beginning of reporting period	**81,914**	78,249
Increase in allowance	**–**	3,665
Exchange realignment	**3,151**	–
At end of reporting period	**85,065**	81,914

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

Included in the Group's trade receivables balance are debtors with a carrying amount of HK$4,805,000 *(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 and the directors believe that the amounts are fully recoverable. These relate to wide range of customers for whom there have been no recent history of default.

	2014	2013
	HK$'000	HK$'000
Current	**13,482**	14,625
Less than 90 days past due	**57**	4,084
91 – 180 days past due	**92**	1,807
181 – 270 days past due	**518**	17
271 – 365 days past due	**2,247**	165
Over 1 year past due	**1,891**	1,202
	4,805	7,275
	18,287	21,900

(iii) Due from associates

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

(iv) Deposits

	2014	2013
	HK$'000	HK$'000
Deposits paid	**37,596**	327
Impairment loss of deposits paid	**(5,000)**	–
	32,596	327

As at 31 March 2014, the balance mainly represented deposits paid in respect of the proposed acquisition of 75% equity interest of Hong Kong Automobile Restoration Group Limited (the "HKARG Acquisition"). Details of the HKARG Acquisition have been set out in note 15(i) to this announcement.

14. TRADE AND OTHER PAYABLES

	Note	2014 HK$'000	2013 HK$'000
Trade payables	*(i)*	**5,047**	4,845
Accruals		**4,323**	4,287
Other tax payables		**2,799**	2,437
Other payables		**11,594**	8,479
Due to a director	*(ii)*	**144**	–
		23,907	20,048

(i) Aging of trade payables

At the end of the reporting period, the aging analysis of the trade payables based on invoice date is as follows:

	2014 HK$'000	2013 HK$'000
Less than 90 days	**634**	2,302
91 – 180 days	**890**	1,605
Over 180 days	**3,523**	938
	5,047	4,845

(ii) Due to a director

The amount due to a director is unsecured, interest-free and has no fixed repayment term.

15. EVENTS AFTER THE REPORTING PERIOD

(i) Pursuant to the special general meeting (the "SGM") held on 22 April 2014, the ordinary resolutions relevant to the HKARG Acquisition were not passed. Accordingly, certain conditions under the Sale and Purchase Agreements (the "SPA") of the HKARG Acquisition had not been fulfilled. After negotiation with the vendors and the guarantors, the Company decided not to proceed with the HKARG Acquisition.

In accordance with the terms of the SPA, total deposits of HK$35.5 million were paid during the year, which included non-refundable deposits of HK$5 million.

Under the terms of the SPA, one of the vendors ("Vendor B") shall return the full amount of the deposits in an aggregate amount of HK$30.5 million (the "Deposits") to the Group. On 30 April 2014, Star Engine Company Limited, a wholly owned subsidiary of the Company, and Vendor B entered into a deed of settlement and agreed that an aggregate amount of HK$30.6 million (being the Deposits together with an interest totaling HK$100,000) (the "Settlement Sum") would be returned by Vendor B in eleven installments.

As at the date of authorisation of the consolidated financial statements, the Company had received a total of HK$15.83 million from Vendor B (including the early repayment of the second and third installments which were originally scheduled to be repaid on 1 July 2014 and 1 August 2014, respectively), representing approximately 52% of the Settlement Sum.

(ii) In June 2014, the Company disposed of all the available-for-sale financial assets with an aggregate carrying value at the end of the reporting period of HK$15,406,000 for an aggregate consideration of HK$14,944,000, resulting in a loss on disposal of approximately HK$462,000.

(iii) In June 2014, the Board proposed to change the name of the Company from "Rising Power Group Holdings Limited" to "Sky Forever Supply Chain Management Group Limited". The proposed change is subject to the approval by the shareholders by way of special resolution at the SGM to be held on 11 July 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL REVIEW

Business and operation review

Electromagnetic pulse protection (the "EPP") business

During the year, contractual works have been completed for China Unicom in provinces such as Hubei (湖北), Shanxi (山西), and stated-owned electricity enterprise in Liaoning (遼寧). Other contractual works in Hubei (湖北), Shanxi (山西) and Guizhou (貴州) are expected to be completed in the coming quarters. In addition, successful tenders have also been obtained for contracts in Tianjin (天津) and Liaoning (遼寧).

Despite the aforesaid progress, the Group recorded a decrease in turnover of approximately 57% to approximately HK$14.9 million as compared to approximately HK$34.5 million in the previous year. Keen competition in the EPP business triggered the decrease in turnover, which coupled with the increase in material costs, which further pressurised the Group's gross profit margin. Nevertheless, the Group has strengthened its presence in EPP industry by focusing on sizable projects.

As a result of the decrease in turnover and gross profit margin, the management has decided to revise the key assumptions used for goodwill valuation for the EPP business. Based on past performance and the expectation of the market development, the growth rate and the gross margin have both revised downward to 4%-7% *(2013: 6%-8%)* and 40%-57% *(2013: 67%)* respectively. Accordingly, the goodwill arising from the EPP business was impaired by HK$13.9 million for the year ended 31 March 2014.

Energy management business

The energy management business is jointly developed by Media Magic Technology Limited ("Media Magic") and Viva Champion Limited ("Viva"). Media Magic is a wholly-owned subsidiary of the Group, while Viva is 51% owned by the Group. During the year 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). Contractual works for China Union in Liaoning (遼寧) and Hunan (湖南) and state-owned electricity enterprises in Liaoning (遼寧) are expected to be completed in the coming quarters.

With a registered capital of RMB22,836,000, Media Magic's wholly-owned subsidiary in the PRC has successfully obtained major tender projects from the telecommunication providers during the year. In addition to the major projects, the Group also obtained some minor tender projects through Viva's wholly-owned subsidiary in the PRC which has a registered capital of US$935,000.

In light of the size of registered capital as mentioned above, Media Magic recorded a significant turnover of HK$9.5 million, accounting for 84% of the energy management business, while Viva recorded a turnover of HK$1.8 million, accounting for 16% of the energy management business.

As at 31 March 2013, the carrying amount of goodwill arising from the acquisition of 51% interest in Viva and its subsidiaries amounted to HK$18.8 million. Considering the business mode of the energy management business running by Viva, the management has decided to revise the key assumptions used for goodwill valuation for the energy management business. Based on past performance and the expectation of the market development, the gross margin and the growth rate have both revised downward to 51% *(2013: 55%-75%)* and 4%-7% *(2013: 3%-14%)* respectively. Accordingly, the goodwill arising from the energy management business was impaired by HK$17.6 million for the year ended 31 March 2014.

PROSPECT

With the completion of the rationalisation process, the Group is well facilitated to commence a new era of the business. To further extend the scope of the business, the Group will continue to look for investment opportunities which will generate significant profitability in medium to long term.

The Group intends to develop a new business activity for the provision of supply chain management services involving the planning and implementation of an integrated solution for the effective flow of business, logistics, information and funds which can be applied for varies kinds of industry chain. The Group intends to set up new subsidiaries to start the new business activity and / or through the acquisition of company with established customer network and human resources to engage the new business as appropriate.

FINANCIAL REVIEW

Results

The Group recorded a decrease in turnover of approximately 57% to approximately HK$14.9 million for the year ended 31 March 2014 as compared to approximately HK$34.5 million in the previous year. The decrease in turnover was due to the keen competition from the electromagnetic pulse protection business and the energy management business. The Group has continued to develop and the business relationship with the telecommunication providers in different provinces in PRC in order to increase and explore the new sources of income.

The Group recorded a decrease in gross profit from approximately HK$26.2 million in the previous year to approximately HK$2.5 million in the current year. The decrease in gross profit was mainly due to the decrease in turnover and increase in material costs of the energy management business and the electromagnetic pulse protection business. The Group will continue to control the material costs and explore new business partners so as to improve the gross profit of the Group.

Net loss attributable to equity holders of the Company for the year amounted to approximately HK$76.3 million *(2013: HK$77.7 million)*. Loss during the year was mainly due to the impairment loss of goodwill and share of loss of associate amounted to approximately HK$31.5 million and approximately HK$12.3 million respectively.

Liquidity, financial resources and capital structure

As at 31 March 2014, the Group had total assets of approximately HK$181.9 million *(2013: HK$177.9 million)*, including net cash and bank balances of approximately HK$86.7 million *(2013: HK$80.0 million).*

For the year ended 31 March 2014, the Group financed its operations mainly with its own working capital and there was no general banking facilities *(2013: Nil)*. There was no charge on the Group's assets as at 31 March 2014 *(2013: Nil)*.

As at 31 March 2014, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was zero *(2013: Nil)*. The Group had no bank borrowings as at 31 March 2014 *(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 minimise exposure to foreign exchange risks. As at 31 March 2014, the Group had no foreign exchange contracts, interests or currency swaps or other financial derivatives for hedging purposes.

Charge on Group assets

As at 31 March 2014, the Group did not have any charge on its assets *(2013: Nil)*.

Segment information

The revenue of the Group comprises the provision of energy management business and the provision of integrated solutions for lightning electromagnetic pulse protection business.

As to the geographical segments, sale of the Group generated in the PRC market was approximately HK$14.9 million during the year ended 31 March 2014 *(2013: HK$58.5 million in the PRC included the discontinued operation)*.

Please also refer to note 4 to this announcement for details of segment information.

New products and services

During the year, the Group continued to develop new products to increase its products range and strengthen its competitive position.

Significant investments

Other than unlisted debt securities, the Group did not have any significant investment during the year *(2013: Nil)*.

Material acquisitions or disposals of subsidiaries and affiliated companies

During the year, the Group did not have any material acquisitions or disposals of subsidiaries.

Future plans for material investments and expected source of funding

Other than disclosed elsewhere in this announcement, the Group did not have any plan for material investment or acquisition of material capital assets as at 31 March 2014. However, the Group is constantly looking for opportunities for investments or capital assets to enhance shareholders' value.

Contingent liabilities

The Group had no contingent liabilities as at 31 March 2014.

Employees and remuneration policies

As at 31 March 2014, the Group had 77 *(2013: 86)* employees including directors. Total staff costs (excluding directors' emoluments) amounted to approximately HK$7.5 million for the year ended 31 March 2014 *(2013: HK$9.2 million)*. 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.

Fund raising

On 17 April 2013, a total of 349,480,000 ordinary shares (before the share consolidation of every 10 shares into one consolidated Share during the financial year) were issued by way of placing under specific mandate at a price of HK$0.072 per share. The market value per share at the completion date of the placing was HK$0.086. The Company raised approximately HK$25,163,000 before deducting related fee and expenses, to finance the possible acquisition of Hong Kong Automobile Restoration Group Limited (the "possible acquisition") and other potential acquisitions and the general working capital of the Group. Related fee and expenses of approximately HK$629,000 arose from the placing was recognised in the share premium account of the Company. The net proceeds of the placing was HK$24,534,000, represented a net price of HK$0.070 per placing share. Of these net proceeds, around HK$5 million was used as the deposit for the possible acquisition, and the remaining balance of approximately HK$20 million was used as general working capital.

On 16 September 2013, a total of 32,000,000 ordinary shares were issued by way of placing under general mandate at a price of HK$0.85 per share. The market value per share at the completion date of the placing was HK$0.84. The Company raised approximately HK$27,200,000 before deducting related fee and expenses, to broaden its shareholder base and to strengthen the capital base and financial position for the Group's future business development. Related fee and expenses of approximately HK$1,130,000 arose from the placing was recognised in the share premium account of the Company. The net proceeds of the placing was HK$26,070,000, represented a net price of HK$0.815 per placing share. Of these net proceeds, around HK$15 million was used as deposit for the acquisition (of which HK$15.83 million has been refunded by the vendor to the acquisition and the rest will be refunded by monthly instalments before March 2015), and the remaining balance of approximately HK$11 million was used as general working capital.

On 5 September 2013 and 10 September 2013, the Company completed a top-up placing and top-up subscription respectively to raise approximately HK$34,850,000 before deducting related fee and expenses, to broaden its shareholder base and to strengthen the capital base and financial position for the Group's future business development, by way of top-up placing and top-up subscription of 41,000,000 shares under general mandate at the price of HK$0.85 per share. The market value per share at the completion date of the top-up subscription was HK$0.84. Expenses of approximately HK$1,586,000 arising from the top-up placing and top-up subscription was recognised in the share premium account of the Company. The net proceeds of the placing was HK$33,264,000, represented a net price of HK$0.811 per share. Of these net proceeds, around HK$15 million was used as deposit for the acquisition (which will be refunded by the vendor to the acquisition by monthly instalments before March 2015), and the remaining balance of approximately HK$18 million was used as general working capital.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year under review, none of the directors or the management shareholders or substantial shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

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 year ended 31 March 2014, save and except for the following:

1. A.1.3 of the Code stipulates of at least 14 days notice should be given to all directors for a regular Board Meeting. For all other Board meetings, reasonable notice should be given. Due to the practical reasons, 14 days' advanced notifications have not been given to all meetings of the Board. Reasons have been given in the notifications in respect of those meetings of the Board where it is not practical to give 14 days' advanced notification. The Board will use its best endeavours to give 14 days' advanced notifications of Board meeting to the extent practicable.

2. A.6.7 of the code stipulates that independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings of the Company and develop a balanced understanding of the views of shareholders. Due to their other important engagement at the relevant time, some independent non-executive directors were unable to attend the general meetings of the Company.

3. A.4.1 of the Code stipulates that all non-executive director should be appointed for a specific term, subject to re-election. Currently, all non-executive directors are not appointed for a specific term. They are, however, subject to the retirement by rotation and re-election of directors in the Bye-laws of the Company. Since their appointment will be reviewed when they are due for re-election, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those set out in the Code.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, the directors have complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the year ended 31 March 2014.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

NOMINATION COMMITTEE

The Company has established a nomination committee on 23 March 2012 with written terms of reference in compliance with the GEM Listing Rules. The nomination committee comprises seven members, of which one executive director, namely Mr. Chan Francis Ping Kuen and six independent non-executive directors namely Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan, Mr. Cheung Chi Hwa, Justin, Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd and Mr. Yu Chon Man. 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 seven members, of which six are independent non-executive directors, namely Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan, Mr. Cheung Chi Hwa, Justin, Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd and Mr. Yu Chon Man 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 year, 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. During the year, the audit committee held four meetings to review and supervise the financial reporting process, and to provide advice and recommendations to the board of directors.

On 2 May 2014, Mr. Tam Chak Chi was resigned as the member of the audit committee. On 13 June 2014, Mr. Kwok Kam Tim and Mr. Kinley Lincoln James Lloyd were appointed as members of the audit committee. On 19 June 2014, Mr. Yu Chon Man was appointed as the member of the audit committee.

The financial statements of the Group for the year ended 31 March 2014 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.

REVIEW OF FINANCIAL INFORMATION

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Company and discussed auditing, internal control and financial reporting matters including the review of the financial statements of the Group and the annual report for the year ended 31 March 2014.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2014 have been agreed by the Group's auditor, Mazars CPA Limited ("Mazars"), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars on the preliminary announcement.

By order of the Board
Rising Power Group Holdings Limited
Mr. Gong Dongsheng
Chairman and Executive Director

Hong Kong, 30 June 2014

As at the date of this announcement, the executive Directors are Mr. Gong Dongsheng, Ms. Chen Nan, Mr. Wu Zhinan, Mr. Chan Francis Ping Kuen, Mr. Chan Hin Wing, James and Mr. Woo Yik Man. 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, Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd and Mr. Yu Chon Man.

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