Blue Sky Power Holdings Limited
藍天威力控股有限公司

(Incorporated in Bermuda with limited liability)

(Hong Kong Stock Code: 6828)
(Singapore Stock Code: UQ7)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

ANNUAL RESULTS

The board (the "Board") of directors (the "Directors") of Blue Sky Power Holdings Limited (the "Company") announce the consolidated annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014 together with comparative figures for the year ended 31 December 2013.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Revenue	5	**200,430**	154,475
Cost of sales		**(175,661)**	(134,989)
Gross profit		**24,769**	19,486
Other gains and losses	6	**(6,667)**	(1,523)
Other income	7	**2,783**	1,994
Impairment losses on property, plant and equipment		**–**	(40,372)
Selling and distribution costs		**(6,156)**	(7,821)
Administrative expenses		**(64,180)**	(27,501)
Other operating expenses		**(17,873)**	(3,791)
Finance costs	8	**(3,156)**	(961)
Loss before income tax	9	**(70,480)**	(60,489)
Income tax credit	10	**457**	1,920
Loss for the year		**(70,023)**	(58,569)
Other comprehensive (expense) income			
Item that may be reclassified subsequently to profit or loss:			
Exchange gain on translation of foreign operations		**6,863**	1,766
Total comprehensive expense for the year		**(63,160)**	(56,803)
Loss for the year attributable to:			
Owners of the Company		**(70,763)**	(58,569)
Non-controlling interests		**740**	–
		(70,023)	(58,569)
Total comprehensive expense attributable to:			
Owners of the Company		**(63,082)**	(56,803)
Non-controlling interests		**(78)**	–
		(63,160)	(56,803)
			(Restated)
Loss per share			
– Basic and diluted	12	**HK2.21 cents**	HK2.91 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Non-current assets			
Prepaid lease payments		**16,309**	5,411
Property, plant and equipment		**228,775**	99,834
Investment properties		**28,430**	29,262
Intangible assets		**475,027**	–
Goodwill		**317,543**	–
Investment in an associate		**3,214**	–
Convertible loan to an associate		**3,256**	–
Deposits for acquisition of subsidiaries		**41,525**	12,000
Other non-current assets		**300**	423
		1,114,379	146,930
Current assets			
Prepaid lease payments		**362**	135
Inventories		**13,932**	17,273
Trade and other receivables	*13*	**59,384**	42,937
Amounts due from related parties		**2,650**	–
Amounts due from non-controlling shareholders of subsidiaries		**27,100**	–
Tax recoverable		**1,590**	4,090
Cash and bank balances		**18,613**	30,346
		123,631	94,781
Current liabilities			
Trade and other payables	*14*	**82,440**	24,186
Bank and other borrowings		**23,748**	23,621
Obligation under finance leases		**311**	–
Convertible bonds		**39,427**	–
Embedded derivatives		**17,341**	–
Amount due to non-controlling shareholders of a subsidiary		**14,706**	–
Amount due to directors		**6,809**	–
		184,782	47,807
Net current (liabilities) assets		**(61,151)**	46,974
Total assets less current liabilities		**1,053,228**	193,904

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2014

	2014	2013
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**256,223**	114,977
Reserves	**594,997**	78,927
Equity attributable to owners of the Company	**851,220**	193,904
Non-controlling interests	**69,136**	–
Total equity	**920,356**	193,904
Non-current liabilities		
Obligations under finance leases	**1,182**	–
Bank and other borrowings	**21,500**	–
Convertible notes	**2,006**	–
Deferred tax liabilities	**108,184**	–
	132,872	–
	1,053,228	193,904

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

1. GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are primary listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and listing status in the Singapore Exchange Securities Trading Limited ("SGX-ST") was changed from primary listing to secondary listing with effect from 2 July 2014. Pursuant to the special resolution of the Company dated 30 June 2014, the name of the Company has been changed from China Print Power Group Limited to Blue Sky Power Holdings Limited and the Company has adopted the Chinese name of "藍天威力控股有限公司" as the secondary name of the Company in place of the former Chinese name of "中國威力印刷集團有限公司" with effect from 30 June 2014.

The address of its registered office and the principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and Rooms 1007-8, 10/F., New World Tower I, 16-18 Queen's Road Central, Hong Kong respectively.

The principal activity of the Company is investment holding. The Company's subsidiaries are principally engaged in (i) sales and distribution of natural gas and other related products; (ii) sales of book products; and (iii) sales of specialised products.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied the following amendments to IFRSs and a new interpretation issued by the International Accounting Standards Board ("IASB") for the first time in the current year:

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment entities
Amendments to IAS 32	Offsetting financial assets and financial liabilities
Amendments to IAS 36	Recoverable amount disclosures for non-financial assets
Amendments to IAS 39	Novation of derivatives and continuation of hedge accounting
IFRIC 21	Levies

The application of the above amendments to IFRSs and a new interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial instruments[1]
IFRS 15	Revenue from contracts with customers[2]
Amendments to IAS 1	Disclosure initiative[4]
Amendments to IFRS 11	Accounting for acquisitions of interests in joint operations[4]
Amendments to IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation[4]
Amendments to IAS 19	Defined benefit plans: Employee contributions[3]
Amendments to IFRSs	Annual improvements to IFRSs 2010-2012 cycle[5]
Amendments to IFRSs	Annual improvements to IFRSs 2011-2013 cycle[3]
Amendments to IFRSs	Annual improvements to IFRSs 2012-2014 cycle[4]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer plants[4]
Amendments to IAS 27	Equity method in separate financial statements[4]
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment entities: Applying the consolidation exception[4]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2017
[3] Effective for annual periods beginning on or after 1 July 2014
[4] Effective for annual periods beginning on or after 1 January 2016
[5] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

IFRS 15 Revenue from contracts with customers

In July 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 "Revenue", IAS 11 "Construction contracts" and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

In the opinion of the directors, the application of the other new and revised amendments and interpretations issued but not yet effective is not expected to have a material impact on the consolidated financial statements.

3. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance. The financial information in this announcement do not include all the information and disclosures required in the Group's annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014.

4. SEASONALITY OF OPERATIONS

Seasonal fluctuation exists in our natural gas business. The demand is generally higher in the second half of the year due to the winter heating consumption.

Seasonal fluctuation exists in our sales of book and specialised products and in the overall printing industry. The demand is generally higher in the second half of the year when our customers will normally place more orders to us so as to meet their greater sales demand during Christmas and New Year holidays. The revenue from sales of book and specialised products of HK$56.1 million recorded in the first half of the year and HK$87.2 million recorded in the second half of the year.

5. SEGMENT INFORMATION

Information reported to the Executive Directors of the Company, being the chief operating decision makers ("CODM"), for the purpose of resources allocation and assessment of segment performance focuses on nature of the goods being sold. These revenue streams and the basis of the internal reports about components of the Group are regularly reviewed by the CODM in order to allocate resources to segments and to assess their performance. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

In previous years, specifically, the Group's reportable and operating segments were as follows:

1. Sales of book products – Provision of full suite of services from pre-press to printing to finishing/binding services;

2. Sales of specialised products – Provision of custom-made and value-added printing products.

The above reportable and operating segments were based on the product type. During the year ended 31 December 2014, CODM's focus has been changed after the Group acquired subsidiaries which are mainly engaged in the sales and distribution of natural gas and other related products. As a result, the Group is now organised into the following operating and reportable segments:

1. Sales and distribution of natural gas and other related products – This segment derives its revenue from operations of compressed natural gas ("CNG") or liquefied natural gas ("LNG") refuelling stations, construction of natural gas connection pipelines and supply of piped gas in the People's Republic of China (the "PRC").

2. Sales of book and specialised products – Provision of full suite of services from pre-press to printing to finishing/binding services and production of custom-made and value-added printing products.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments.

For the year ended 31 December 2014

	Sales of natural gas and other related products *HK$'000*	Sales of book and specialised products *HK$'000*	Consolidated *HK$'000*
Segment revenue	57,130	143,300	200,430
Segment (loss) profit	(8,959)	16,321	7,362
Other income and other gains and losses			(3,884)
Central corporate expenses			(70,802)
Finance costs			(3,156)
Loss before income tax			(70,480)

For the year ended 31 December 2013 (restated)

	Sales of natural gas and other related products *HK$'000*	Sales of book and specialised products *HK$'000*	Consolidated *HK$'000*
Segment revenue	–	154,475	154,475
Segment loss	–	(29,356)	(29,356)
Other income and other gains and losses			471
Central corporate expenses			(30,643)
Finance costs			(961)
Loss before income tax			(60,489)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the loss from/profit earned by each segment without allocation of central administration costs, directors' emoluments, bank interest income, net foreign exchange gain, certain sundry income, finance costs and income tax expenses. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

Segment assets

	2014 ***HK$'000***	2013 *HK$'000* (restated)
Sales and distribution of natural gas and other related products	**1,002,276**	12,000
Sales and distribution of book and specialised products	**192,364**	187,934
Total segment assets	**1,194,640**	199,934
Investment in an associate	**3,214**	–
Cash and bank balances	**18,613**	30,346
Property, plant and equipment for corporate use	**2,550**	–
Prepaid lease payments for corporate use	**5,460**	5,546
Convertible loan to an associate	**3,256**	–
Other unallocated assets	**10,277**	5,885
Consolidated assets	**1,238,010**	241,711

Segment liabilities

	2014 HK$'000	2013 HK$'000 (restated)
Sales and distribution of natural gas and other related products	**167,535**	-
Sales and distribution of book and specialised products	**26,348**	13,949
Total segment liabilities	**193,883**	13,949
Convertible bonds	**39,427**	–
Convertible notes	**2,006**	–
Bank and other borrowings	**45,248**	23,621
Embedded derivatives	**17,341**	–
Obligation under finance leases	**1,493**	–
Other unallocated liabilities	**18,256**	10,237
Consolidated liabilities	**317,654**	47,807

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating and reportable segments (other than investment in an associate, convertible loan to an associate, other non-current assets, cash and bank balances, certain other receivables, certain amounts due from related parties, certain prepaid lease payments, and certain property, plant and equipment); and

- all liabilities are allocated to operating and reportable segments (other than deferred tax liabilities, bank and other borrowings, obligation under finance leases, convertible bonds, convertible notes, embedded derivatives, certain amounts due to related parties and certain other payables).

The Group has allocated goodwill to the relevant segments as segment assets.

Other segment information

For the year ended 31 December 2014

	Sales of natural gas and other related products HK$'000	Sales of book and specialised products HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or segment assets:				
Addition to non-current assets	**174,913**	**3,112**	**6,770**	**184,795**
Addition to intangible assets	**481,731**	**–**	**–**	**481,731**
Addition to goodwill	**317,543**	**–**	**–**	**317,543**
Depreciation of property, plant and equipment	**3,904**	**4,122**	**620**	**8,646**
Depreciation of investment properties	**–**	**1,066**	**–**	**1,066**
Amortisation of prepaid lease payments	**93**	**130**	**–**	**223**
Amortisation of intangible assets	**6,704**	**–**	**–**	**6,704**
Net losses on disposals of property, plant and equipment	**–**	**207**	**–**	**207**
Impairment loss on trade receivables	**–**	**542**	**–**	**542**
Impairment loss on other non-current assets	**–**	**334**	**–**	**334**

For the year ended 31 December 2013 (restated)

	Sales of natural gas and other related products *HK$'000*	Sales of book and specialised products *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or segment assets:			
Addition to non-current assets	12,000	10,473	22,473
Depreciation of property, plant and equipment	–	10,799	10,799
Depreciation of investment properties	–	1,057	1,057
Amortisation of prepaid lease payments	–	135	135
Impairment losses on property, plant and equipment	–	40,372	40,372
Net losses on disposals of property, plant and equipment	–	682	682

Geographical information

The Group's operations are located in the PRC (country of domicile) including Hong Kong.

Information about the Group's revenue from external customers is presented based on customers' location of the operations.

	Revenue from external customers	
	2014	2013
	HK$'000	*HK$'000*
The PRC, including Hong Kong	**155,252**	98,940
United Kingdom	**23,506**	24,128
United States of America	**8,884**	15,327
Germany	**2,600**	6,986
Others	**10,188**	9,094
	200,430	154,475

Other than investments in an associate, which is located in Australia, the Group's non-current assets (excluding financial instruments) are mainly located in the PRC.

Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2014 ***HK$'000***	2013 *HK$'000*
Customer A[1]	**27,726**	31,731
Customer B[1]	**23,104**	22,445
Customer C[2]	**22,588**	N/A

Notes:

1 Revenue related to sales of books and specialised products segments.

2 Revenue related to sales and distribution of natural gas and other related products segment.

6. OTHER GAINS AND LOSSES

	2014	2013
	HK$'000	*HK$'000*
Impairment losses on intangible assets	**–**	(474)
Impairment losses on trade receivables	**(542)**	(262)
Impairment loss on other non-current assets	**(334)**	–
Net exchange gains (losses)	**488**	(105)
Net losses on disposals of property, plant and equipment	**(207)**	(682)
Change in fair value of embedded derivatives	**(6,072)**	–
	(6,667)	(1,523)

7. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
Bank interest income	**15**	96
Rental income from investment properties	**1,304**	1,218
Reversals of impairment losses on trade receivables	**–**	87
Sundry income	**1,464**	593
	2,783	1,994

8. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Finance charges on obligations under finance lease	**28**	–
Interests on bank trust receipts loans	**302**	348
Interests on bank and other borrowings wholly repayable within five years	**320**	613
Interest on other borrowings not wholly repayable within five years	**491**	–
Interest on convertible notes	**1,319**	–
Interest on convertible bonds	**696**	–
	3,156	961

9. LOSS BEFORE INCOME TAX

	2014 *HK$'000*	2013 *HK$'000*
Loss before income tax is arrived at after charging:		
Auditors' remuneration	**2,266**	775
Amortisation of intangible assets*	**6,704**	53
Cost of inventories recognised as expense*, including	**175,661**	134,989
– Write-down of inventories to net realisable value	**–**	3,152
Depreciation of investment properties	**1,066**	1,057
Depreciation of property, plant and equipment*	**8,646**	10,799
Employee benefit expenses* (including directors' emoluments)		
– Salaries and allowances	**54,727**	43,240
– Contribution to defined contribution plans	**3,531**	3,025
– Share-based payment	**5,966**	–
	64,224	46,265
Amortisation of prepaid lease payments	**223**	135
Operating lease charges on:		
– premises	**1,326**	505
– motor vehicles	**336**	336
	1,662	841
Outgoings in respect of investment properties	**–**	219

* Included in cost of inventories are depreciation of property, plant and equipment, amortisation of intangible assets and employee benefit expenses of HK$44,720,000 (2013: HK$43,947,000), which have also been included in the respective total amounts as disclosed above.

10. INCOME TAX CREDIT

	2014 *HK$'000*	2013 *HK$'000*
Current tax – Hong Kong Profits Tax		
– current year	**–**	–
– overprovision in respect of prior years	**–**	(35)
	–	(35)
PRC Enterprise Income Tax ("EIT")	**1,219**	–
Deferred tax	**(1,676)**	(1,885)
Total income tax credit	**(457)**	(1,920)

No Hong Kong Profits Tax has been provided as the Company and other subsidiaries did not generate any assessable profits in Hong Kong for the year.

The EIT rate of the PRC subsidiaries is 25%.

11. DIVIDEND

The Board did not recommend a payment of dividend for the years ended 31 December 2013 and 2014.

12. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2014 *HK$'000*	2013 *HK$'000*
Loss		
Loss for the year attributable to the owners of the Company for the purposes of basic and diluted loss per share	**70,763**	58,569

	2014	2013 (restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**3,202,124,237**	2,016,041,120

The computation of diluted loss per share does not assume the exercise of the Company's outstanding share options and the conversion of the Company's outstanding convertible bonds and convertible notes as their exercise would result in a decrease in loss per share.

The weighted average number of ordinary shares for the purposes of basic and diluted loss per share for the years ended 31 December 2014 and 2013 have been adjusted to reflect the impact of the share subdivision effected during the year ended 31 December 2014.

13. TRADE AND OTHER RECEIVABLES

	Notes	2014 *HK$'000*	2013 *HK$'000*
Trade receivables		**56,234**	45,534
Less: Impairment losses	*(a)*	**(3,969)**	(3,969)
Trade receivables – net	*(b), (c)*	**52,265**	41,565
Prepayments and other receivables		**7,119**	1,372
		59,384	42,937

Notes:

(a) Movements in the Group's impairment losses on trade receivables are as follows:

	2014 *HK$'000*	2013 *HK$'000*
At 1 January	**3,969**	4,734
Impairment losses recognised	**542**	262
Impairment losses reversed	**–**	(87)
Amount written off	**(542)**	(940)
At 31 December	**3,969**	3,969

At each reporting date, the Group reviews its trade receivables for impairment on both an individual and collective basis. As at 31 December 2014, the Group determined trade receivables of HK$3,969,000 (2013: HK$3,969,000) as individually impaired. Based on this assessment, impairment losses of HK$542,000 (2013: HK$262,000) are recognised during the year. The impaired trade receivables are due from customers experiencing financial difficulties that were in default or delinquency of payments or have been past due for more than one year and have not responded to repayment demands.

The Group does not hold any collateral as security or other credit enhancements over the impaired trade receivables, whether determined on an individual or collective basis.

(b) The Group generally allows a credit period of 30 to 120 days (2013: 30 to 120 days) to its trade customers for the sales of book products and specialised products. No trade receivable balance from sales and distribution of natural gas and other related products as at 31 December 2014, since the sales transactions were mainly settled by cash or through the utilisation of trade deposits received. Before accepting any new customers, the Group performs credit check to assess the potential customer's credit quality and defines credit limits by customers. Based on invoice dates, which approximate the respective revenue recognition dates, ageing analysis of trade receivables (net of impairment losses) was as follows:

	2014	2013
	HK$'000	*HK$'000*
0 – 90 days	**37,573**	27,200
91 – 120 days	**10,134**	9,052
121 – 180 days	**4,095**	5,145
181 – 365 days	**449**	162
Over 365 days	**14**	6
	52,265	41,565

(c) Ageing analysis of trade receivables that were not impaired, based on due date, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Neither past due nor impaired	**38,328**	26,336
0 – 90 days past due	**13,116**	13,479
91 – 180 days past due	**821**	1,711
181 – 365 days past due	**–**	33
Over 365 days past due	**–**	6
	52,265	41,565

Trade receivables that were neither past due nor impaired related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related a large number of diversified customers that had a good track record of credit with the Group. Based on past credit history, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral over these balances.

(d) During the year, the Group assigned to certain banks the rights to receive cash from its trade receivables. In case the Group defaults in the bank loan repayments, the banks have the rights to collect the outstanding due from these trade receivables. As the Group retains substantially all the risks and rewards of ownerships of these receivables, the Group continues to recognise the whole carrying amounts of the receivables and accounted for the rights to receive the outstanding on assignment as a security of the borrowings. As at 31 December 2014, the carrying amounts of trade receivables and the associated borrowings were HK$15,655,000 (2013: HK$5,573,000) and HK$33,000 (2013: HK$1,966,000) respectively.

14. TRADE AND OTHER PAYABLES

	Notes	**2014** *HK$'000*	2013 *HK$'000*
Trade payables	*(a)*	**17,427**	13,949
Accrued charges and other creditors	*(b)*	**29,102**	9,315
Construction cost payables		**34,214**	588
Trade deposits received		**1,697**	334
		82,440	24,186

Notes:

(a) The Group was granted by its suppliers credit periods ranging from 30 to 120 days (2013: 30 to 120 days). Based on invoice dates, ageing analysis of trade payables was as follows:

	2014 *HK$'000*	2013 *HK$'000*
0 – 90 days	**12,411**	9,065
91 – 180 days	**3,827**	4,707
181 – 365 days	**1,095**	103
Over 365 days	**94**	74
	17,427	13,949

(b) The balance as at 31 December 2014 includes accrued salaries and allowances payable to certain directors of the Company amounting to HK$368,000 (2013: HK$304,000).

15. SUBSEQUENT EVENTS

(i) On 7 October 2014, a wholly owned subsidiary of the Company entered into a conditional subscription agreement and a conditional sale and purchase agreement with Shine Great Investments Limited ("Shine Great") and Total Belief Limited respectively, both are wholly owned subsidiaries of New Times Energy Corporation Limited, pursuant to which the Group agreed to (1) subscribe for approximately 14.54% of the issued share capital of Shine Great as enlarged by the subscription shares ("Enlarged Share Capital") for cash consideration of RMB30,000,000 (equivalent to approximately HK$37,800,000) (the "Subscription"); and (2) acquire an aggregate of 8,546,210 Shine Great Shares, representing approximately 85.46% of the Enlarged Share Capital, which comprises of (i) 3,646,210 Shine Great Shares, representing 36.46% of the Enlarged Share Capital ("Transaction I"); and (ii) 4,900,000 Shine Great Shares, representing 49% of the Enlarged Share Capital ("Transaction II") for an aggregate consideration of HK$230,045,259 which is to be satisfied by (a) cash of HK$17,000,000 and by (b) issuing convertible bonds in the principal amount of up to HK$213,045,259. Shine Great and its subsidiaries principally engaged in sales and distribution of natural gas and other related products. Details are set out in the circular dated 2 January 2015. The Subscription and Transaction I are completed on 24 February 2015. The management of the Group is in the process of preparing the initial accounting for this business combination.

(ii) On 3 November 2014, a wholly owned subsidiary of the Company entered into a conditional acquisition agreement with an independent vendor, pursuant to which the Group shall acquire the entire equity interests in Well Organising Group Limited and its subsidiaries (the "Target Group") and upon completion of the reorganisation as set out in the circular dated 22 December 2014, the Target Group will hold 48% equity interests in the Haikou Xinyuan Natural Gas Technology Co., Ltd.. The total consideration is amounted to HK$165,000,000 to be satisfied by (a) cash of HK$22,000,000 and by (b) issuing convertible bonds in the principal amount up to HK$143,000,000. The Target Group principally engaged in sales and distribution of natural gas and other related products. The transaction was completed on 28 January 2015. The management of the Group is in the process preparing the initial accounting for this business combination.

(iii) On 13 March 2015, the Company entered into a placing agreement with a placing agent issue up to 162,500,000 ordinary shares of HK$0.055 each at HK$0.40. The transaction was completed on 27 March 2015.

BUSINESS REVIEW

2014 was a momentum year for the Group which marks its business diversification into the natural gas business sector. The Group strives to be an integrated natural gas provider and distributor that offers innovative and diversified clean energy solution in China, and its name was changed to Blue Sky Power Holdings Limited during the year to reflect its natural gas business focus.

The Company focuses on the downstream natural gas distribution business which encompasses (i) construction and operation of compressed natural gas ("CNG") or liquefied natural gas ("LNG") refueling stations for vehicles; and (ii) construction of natural gas connection pipelines and supply of piped gas to industrial parks, commercial complex and residential communities.

During the year ended 31 December 2014 and up to date of this announcement, the Group has successfully marked its footprints for its natural gas business in 7 provinces in the PRC, namely Hainan, Hubei, Guizhou, Jiangsu, Liaoning, Shandong and Sichuan.

The Group also continued its business of printing books and manufacturing specialised products during the year.

Natural gas industry in the PRC

During the year, weak global economic situation and geological turmoil in Iran and Russia, led to the largest plummet of global oil prices in five years. The influences of the sharp decline of oil prices on the natural gas market in China is countered by the energy conservation and emission reduction measures, with the aim to control the plumes of black clouds resulting from heavy coal and oil use. The National Development and Reform Commission ("NDRC") also announced that the share of natural gas as part of total energy consumption is anticipated to increase from 4 per cent in 2014 to about 8 per cent by the end of 2015, and 10 per cent by 2020. Favorable policies on the promotion of natural gas usage is launching gradually in response to the energy consumption goal, and will be the long term driving force of the development of the Group.

Russia and China signed an agreement in 2014, for Russia to supply natural gas to China annually starting from 2018 and this will effectively ease the supply deficit of natural gas. It is expected that following the commencement of natural gas supply via the "Russia to China" pipelines, numerous business opportunities in respect of natural gas downstream business will arise in the PRC, especially along the North Eastern region.

China has launched favorable measures to boost market demand and supply of natural gas according to the 12th Five-Year Plan. The encouraging policy and development potential of the natural gas market allow the Group to strategically position its project in areas with substantial growth potential in the North Eastern region.

Natural gas business of the Company

The Group strategically positioned its projects in areas with substantial growth potential including North Eastern region, Eastern region, South Western region, Hainan province and along Yangtze River in China.

North Eastern Region

We have expanded our footprints in Liaoning and Heilongjiang provinces in North Eastern China. There will be numerous growth potentials in the North Eastern region, as it consists of mainly heavy industrial cities, in which air pollution control policy and low-carbon action plan in the PRC will result in more coal-fired boiler to be switched to natural gas-fired boilers. In addition, the projects can allow the Company to tap in at the early stage for the business opportunities potentially arising from the Russia–China Gas pipeline completion in 2018.

1. Liaoning Province

   The Group has completed the acquisition of the project in Xihu District of Benxi City, Liaoning Province in July 2014, with effective interest of 89.18%. The project held an exclusive operation rights commencing from March 2012 for 30 years, pursuant to which it is authorised to operate the business of provision of piped gas to the industrial parks, residential and commercial areas and vehicle refueling in the Xihu District.

2. Heilongjiang Province

   The Group through its 60% owned subsidiary, currently held 19.90% interest in Triple Energy Limited, a company listed in Australian Securities Exchange and holding a coal bed methane gas project in Heilongjiang Province. Triple Energy Limited operates pursuant to the coal mining and exploration leases in areas such as Hegang mines, Shuang Ya Shan mines, Qi Tai He mines and Yixi mines in Heilongjiang Province. It will be complementary to the existing business model of the Group, which can result in a vertical integration of its natural gas business and provide natural gas sources by from its own gas resources of Hegang mines.

Eastern Region

Eastern China is located along the coastal areas, the Beijing–Hangzhou Canal and Lower Yellow River, which have rapid development on imports, exports and economic activities.

1. Jinan City, Shandong Province

   The Group completed the acquisition of the Jinan project in November 2014. We have entered into a cooperative agreement with Jinan Public Transportation Company, pursuant to which we will construct and operate gas refuelling stations in Jinan to cater for the gas demand from Jinan Public Transportation Company arising from its switching of old and high polluted motor bus fueled with diesel to environmental-friendly natural gas vehicles. The Group held 60% effective interest in the project, and currently 2 gas stations are already in operations, and it is expected to have a total of 6 gas stations as of 31 December 2015.

2. Yucheng City, Shandong Province

   The Group completed the acquisition of the Yucheng project with an effective interest of 36%. The project consists of 1 CNG main station and 1 CNG sub-station currently.

South Western Region

China–Myanmar Oil and Gas pipeline passed through the areas in South Western China and brings sufficient natural gas supply to the Group's project.

1. Zunyi City and Liupanshui City, Guizhou Province

   The Group completed the acquisition of 51% interest in the Guizhou project in February 2015. It consisted of a number of piped gas and gas stations projects. 2 gas fuelling stations are in operation currently.

2. Yibin City, Sichuan Province

   The Group completed the acquisition of the Yibin project in December 2014 via its non-wholly owned subsidiary. The Yibin Project currently operated and managed power generation plants in Sichuan Province with aggregate installed capacity of 2,500 KW fuelled by shale gas, which is a type of unconventional gas. The Yibin Project has entered into the shale gas supply contract with the Zhejiang branch company of Petro China Company Limited for the procurement of shale gas. The Yibin Project then utilized the shale gas as a source of clean fuel to operate and manage the power generation plant to generate electricity. The Yibin Project has also entered into the sales agreement with its customer 四川能投筠連電力有限公司, the provincial grid company in Sichuan Province for the sales of electricity generated from its power plants. The Yibin Project also intends to invest in a natural gas liquefaction facility, which will utilise the shale gas as the gas source and be processed into LNG for selling.

Hainan Province

As a tourism-oriented province, Hainan has the requisite to protect its environment from pollution, and there are numerous policies in place to encourage the use of green energy such as natural gas.

1. Haikou City, Hainan Province

   The Group completed the acquisition of Hainan project with the effective interest of 48% in January 2015. The Hainan project (together its associated company) owned 17 natural gas refueling stations in Hainan province, comprising 13 stations in Haikou, 3 stations in Sanya and 1 station in Danzhou. It is believed to be the largest operator of natural gas refueling stations for vehicles in Haikou in terms of number of gas stations.

Regions along Yangtze River

"Gasification of Yangtze River" is launched by the government to promote the use of LNG and other clean energy sources to ease marine fuel pollution.

1. Huanggang City, Hubei Province

   The Group completed the acquisition of the Huanggang project with the effective interest of 30.25% in December 2014. The Huanggang project entered into a franchise operation agreement（特許經營協議）with Huanggang City Development and Reform Committee for a terms of 30 years commencing from 1 July 2014 to 30 June 2044 (the "Operation Agreement"). According to the Operation Agreement, the Huanggang project was granted the rights to invest and operate the natural gas business making use of boiled off gas ("BOG"), to distribute natural gas to the enterprises in the Huanggang City Chemical Industrial Park（黃崗化工產業園）and the citizens located in Chen Ce Lou Town（陳策樓鎮）, both located in Huanggang City.

Printing Business of the Company

Engaged in its core business of printing books and manufacturing specialised products, the Group provides a full suite of services from pre-press to printing to binding and packaging, and produces tailor-made and value-added printing products such as pop-up children's books, photo albums and stationery.

Apart from the adverse impact from the weak market environment, the performance of Group's printing segment was impacted by the persistent uncertainty over the global economy and the development of digital printing solutions and growing popularity of e-books which intensified the sales pressure on the traditional printing industry.

FINANCIAL REVIEW

Revenue

During the year ended 31 December 2014, revenue increased by 29.7% or HK$45.9 million from HK$154.5 million for the year ended 31 December 2013 to HK$200.4 million for the year ended 31 December 2014. It was mainly because the Group diversified its revenue source by expanding its business to sales and distribution of natural gas industry and recorded revenue of HK$57.1 million from the new segment for the year ended 31 December 2014, offset by the decrease in revenue of the printing business by HK$11.2 million due to the persistent uncertainty over the global economy which affected the sales.

Gross Profit Margin

Overall gross profit margin decreased from 12.6% for the year ended 31 December 2013 to 12.4% for the year ended 31 December 2014 which was attributable to the combined effects of an increase of amortisation expense of intangible assets of the natural gas business, and a decrease in depreciation expense (included in cost of sales) of the printing business.

Other gains and losses

Other gains and losses increased by 346.7% from HK$1.5 million for the year ended 31 December 2013 to HK$6.7 million for the year ended 31 December 2014. It was due to the change in fair value of embedded derivatives of HK$6.1 million arising from the issue of the convertible bonds during 2014.

Other Income

Other income increased by 40% from HK$2.0 million for the year ended 31 December 2013 to HK$2.8 million for the year ended 31 December 2014. It was mainly due to the sales of scrap paper of HK$0.5 million and the deposit forfeitures income of HK$0.6 million.

Operating Expenses

(a) Selling and distribution costs

Selling and distribution costs was decreased by 20.5% from HK$7.8 million for the year ended 31 December 2013 to HK$6.2 million for the year ended 31 December 2014. This were mainly due to decrease of HK$1.8 million in transportation and freight charges of the printing business.

(b) Administrative expenses

The administrative expenses increased by 133.5% from HK$27.5 million for the year ended 31 December 2013 to HK$64.2 million for the year ended 31 December 2014. It was mainly due to (i) the increased staff costs of HK$18 million, which mainly comprised of an increase in staff cost of HK$9.4 million from new natural gas segment and share-based payment of HK$6.0 million, (ii) auditors' remuneration and secretarial fee of HK$2.8 million, (iii) bond commission of HK$2.1 million, (iv) travelling expenses of HK$3.4 million and (v) depreciation of HK$2.8 million.

(c) Other operating expenses

Other operating expenses increased from HK$3.8 million for the year ended 31 December 2013 to HK$17.9 million for the year ended 31 December 2014. It was due to an increase in legal and professional fee of HK$12 million.

(d) Finance costs

Finance costs increased by 220% from HK$1.0 million for the year ended 31 December 2013 to HK$3.2 million for the year ended 31 December 2014 which was due to the addition of corporate bond interest of HK$0.5 million, convertible bonds interest of HK$0.7 million and convertible notes interest of HK$1.3 million.

(e) *Income tax expense*

Income tax expense was calculated at 25% and 16.5% of the estimated assessable profits of its PRC subsidiary and Hong Kong subsidiary for the year ended 31 December 2014 and 2013 respectively.

(f) *Loss attributable to owners of the Company*

As a result of the foregoing, the Group's loss for the year attributable to owners of the Company was arrived at HK$70.8 million, representing an increase of HK$12.2 million from the year ended 31 December 2013.

FUTURE DEVELOPMENT AND PROSPECTS

The Group is optimistic about the development of natural gas market in China. Although the oil price remains soft and posed competition to the industry participants, the launch of favorable policies will facilitate the integration and development of the market, especially for downstream gas distributors.

During National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC) held in Beijing in March 2015, the government has addressed environmental protection as one of the focuses, while the policymakers have discussed on industrial pollution reduction, vehicle exhaust management and strict law enforcement on pollution. As the deep-seated environmental problems resulted from the economic development are increasingly palpable, the Chinese government shows great determination to ease air pollution caused by industrialization and oil use. The use of green energy is a major trend and the natural gas industry will be able to enjoy extensive developmental opportunities in the near future.

In addition, National Development and Reform Committee ("NDRC") has announced starting from 1 April 2015, the wholesale ceiling prices charged by pipeline enterprises to gas distributors on "base" volumes of gas would be raised by RMB0.04 per cubic meter, and that "incremental" volumes would be decreased by RMB0.44 per cubic meter. This policy would help natural gas stay economically competitive for industrial customers in view of the recent sharp drop of the international crude oil prices. The price adjustment, to a certain extent, represents the marketization of the natural gas prices in China, and can help reduce its exposure to gas price risk. The Group believed the policy is beneficial to the development of natural gas business in the PRC and expected further price adjustment to be announced this year.

Amid the recent trimming of international crude oil prices, overseas LNG is also on the downward price trend. The Group is exploring the opportunities to identify certain overseas LNG sources with competitive pricing, which we can import the low-cost LNG and tap into the business of LNG trading in the PRC and/or to supply to the Group's own LNG refueling station.

The Group has designated natural gas business as the Group's priority for its future business development and will spare no efforts to explore further investment opportunities in potential natural gas projects. Thus, the Group will continue to identify potential acquisition projects, and leverage on its strength to adapt to market changes and to maximize the interest of the Company and its shareholders.

USE OF PROCEEDS

On 28 January 2014, the Company issued 40,018,000 new ordinary shares of HK$0.55 each at HK$2.60 per share by way of placing (the "January 2014 Placement"). The net proceeds from the issue of new shares under the January 2014 Placement, after deducting related transaction costs was HK$101.7 million, of which HK$92.0 million has been utilised as payment for acquisitions of natural gas projects including projects located in Shandong, Liaoning, Huanggang, Guizhou, Xuzhou, Haikou, Sichuan and Jinan and HK$9.7 million has been utilised as working capital of the Group.

On 17 October 2014, the Company issued convertible bonds in the principal amount of HK$50,000,000 (the "October 2014 Placement"). The net proceeds from the October 2014 Placement, after deducting related transaction costs was HK$49.2 million, of which HK$40.7 million has been utilised as payment for acquisitions of natural gas projects including projects located in Dongying, Sichuan, Haikou, Guizhou and Huanggang and HK$8.5 million has been utilised as working capital of the Group.

On 27 March 2015, the Company issued 162,500,000 new ordinary shares of HK$0.055 each at HK$0.40 per share by way of placing (the "March 2015 Placement"). The net proceeds from the issue of new shares under the March 2015 Placement, after deducting related transaction costs was HK$63.0 million. As at the date of this announcement, there has been no material disbursements of the proceeds of the March 2015 Placement.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations with shareholders' equity, and bank and other borrowings.

The Group maintained bank deposits, bank balances and cash amounting to HK$18.6 million as at 31 December 2014 (2013: HK$30.3 million), decreased of 38.6% as compared with that as at 31 December 2013.

The Group had total borrowings (total liabilities excluding deferred tax liabilities and trade and other payables) of HK$127.0 million as at 31 December 2014 (2013: HK$23.6 million). The Group's gearing ratio, which is total borrowings divided by the total assets was 10.3% (2013: 9.8%).

As at 31 December 2014 and 2013, the Group's bank borrowings were secured by a charge over certain of the Group's trade receivables.

The Group's non-current assets increased to HK$1,114.4 million (2013: HK$146.9 million), primarily due to the addition in goodwill of HK$317.5 million, intangible assets of HK$475.0 million, investment in an associate of HK$3.2 million and convertible loan to an associate of HK$3.3 million and the increase in property, plant and equipment of HK$129.0 million, prepaid lease payments of HK$10.9 million and deposits for acquisition of natural gas project amounted HK$29.5 million.

As at 31 December 2014, the Group's current assets amounted to HK$123.6 million (2013: HK$94.8 million), mainly comprised of inventories of HK$13.9 million (2013: HK$17.3 million), trade and other receivables of HK$59.4 million (2013: HK$42.9 million), amounts due from non-controlling shareholders of subsidiaries of HK$27.1 million (2013: Nil), amounts due from related parties of HK$2.7 million (2013: Nil) and cash and bank balances of HK$18.6 million (2013: HK$30.3 million). The Group's current liabilities of HK$184.8 million (2013: HK$47.8 million), mainly comprised of trade and other payables of HK$82.4 million (2013: HK$24.2 million), amount due to non-controlling shareholders of a subsidiary of HK$14.7 million, amount due to directors of HK$6.8 million, convertible bonds of HK$39.4 million, embedded derivatives of HK$17.3 million and bank and other borrowings of HK$23.7 million (2013: HK$23.6 million).

As at 31 December 2014, the net current liabilities of the Group amounted to HK$61.2 million (2013: net current assets of HK$47.0 million). The Group's current ratio (calculated on the basis of the Group's current assets over current liabilities) stood at 0.67 as at 31 December 2014 (2013: 1.98).

As at the date of this announcement, the Company has entered into separate agreements with independent third parties in respect of the issue of the corporate bonds by the Company and details of the subscription are as follows:

Subscribers	**Issue Date**	**Principal amount** *(HK$'000)*
7 years corporate bond		
CHEN Tao（陳濤）	20-Nov-14	4,500
CHEN Simin（陳思敏）	8-Dec-14	2,000
WANG Yimin（王奕民）	24-Dec-14	5,000
CHEN Hong（陳虹）	2-Jan-15	2,000
YAN Qiaomin（嚴巧敏）	14-Jan-15	1,000
LIANG Dingjiao（梁定郊）	24-Feb-15	4,000
JIANG Chunyan（江春燕）	11-Mar-15	10,000
		28,500
Other corporate bonds		48,000
		76,500

During the year ended 31 December 2014, the Group has not entered into any financial instrument for hedging purposes nor other hedging instruments to hedge against foreign exchange rate risks. We would implement a balanced financing plan to support the operation of both our book printing and specialised products manufacturing businesses and newly acquired CNG/LNG business.

EMPLOYEES' INFORMATION

Employees of the Group

Our employees are based in Hong Kong and the PRC. As at 31 December 2014, there were 826 (2013: 613) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses or share options to eligible staff based on their performance and contributions to the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

REVIEW BY AUDIT COMMITTEE

The audit committee comprises three members, namely Mr. Lim Siang Kai, Mr. Wee Piew and Mr. Ma Arthur On-hing, all being independent non-executive Directors. It has reviewed the accounting principles and standards adopted by the Group, and has discussed and reviewed the internal control and reporting matters. The audit committee has reviewed with the management the consolidated financial statements of the Company for the year ended 31 December 2014.

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

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has adopted the Code Provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on SEHK (the "Listing Rules"). The Company has complied with the code provisions listed in the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2014.

COMPLIANCE WITH THE MODEL CODE

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the "Model Code") as set out in Appendix 10 to the Listing Rules and its amendments from time to time as its own code of conduct regarding securities transactions by the Directors. The Board confirms that, having made specific enquiries with all Directors, all Directors have complied with the required standards of the Model Code throughout the year ended 31 December 2014.

ANNUAL GENERAL MEETING AND PUBLICATION OF ANNUAL RESULTS

This results announcement is published on the websites of SEHK (www.hkexnews.hk), SGX-ST (www.sgx.com) and the Company (www.blueskypower.holdings). A notice convening the annual general meeting of the Company will be despatched to the shareholders of the Company together with the 2014 Annual Report and available on the aforesaid websites in due course.

By order of the Board
Blue Sky Power Holdings Limited
Cheng Ming Kit
Chairman

Hong Kong, 30 March 2015

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Ming Kit, Mr. Sze Chun Lee, Mr. Hung Tao and Mr. Kwok Shek San; the non-executive director of the Company is Ms. Chung Oi Ling Stella; and the independent non-executive directors of the Company are Mr. Lim Siang Kai, Mr. Wee Piew and Mr. Ma Arthur On-hing.