



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

(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)

2014-2015
First Quarterly Report



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

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This report, 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 report 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 report misleading.



HIGHLIGHTS

For the three months ended 30 June 2014

- the turnover from the Group was approximately HK\$3,700,000 as compared to the turnover of approximately HK\$8,695,000 recorded in the corresponding period last year.
- the loss of the Group was approximately HK\$7,936,000 (2013: loss approximately HK\$5,399,000).
- the loss attributable to equity holders of the Company was approximately HK\$7,322,000 (2013: loss approximately HK\$4,260,000).
- the directors do not recommend the payment of any dividend (2013: Nil).
- the loss per share of the Company was approximately HK1.66 cents (2013: loss approximately HK1.17 cents).



FINANCIAL RESULTS

The board of directors (the “Board”) of the Company announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 30 June 2014 together with the comparative unaudited figures for the corresponding period in 2013 as follows:

Condensed Consolidated statement of Comprehensive income (Unaudited)

		For the three months ended 30 June	
		2014	2013
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Turnover	3	3,700	8,695
Cost of services rendered and cost of goods sold		<u>(3,037)</u>	<u>(7,815)</u>
Gross profit		663	880
Other revenue	3	389	53
Other income	4	–	152
Selling and distribution costs		(347)	(496)
Administrative expenses		(8,293)	(5,327)
Share of results of associates		<u>(253)</u>	<u>(824)</u>
Loss before taxation		(7,841)	(5,562)
Income tax expenses	5	<u>–</u>	<u>–</u>
Loss for the period		<u>(7,841)</u>	<u>(5,562)</u>



Condensed Consolidated statement of Comprehensive income (Unaudited) *(Continued)*

		For the three months ended 30 June	
		2014	2013
		(Unaudited)	(Unaudited)
<i>Notes</i>		HK\$'000	HK\$'000
Other comprehensive (loss) income			
for the period, net of tax			
<i>Items that may be reclassified</i>			
<i>subsequently to profit or loss:</i>			
	Exchange differences on consolidation	<u>(95)</u>	163
	Total comprehensive loss for the period	<u>(7,936)</u>	<u>(5,399)</u>
Loss attributable to:			
	Equity holders of the Company	(7,322)	(4,260)
	Non-controlling interests	(519)	(1,302)
		<u>(7,841)</u>	<u>(5,562)</u>
Total comprehensive loss attributable to:			
	Equity holders of the Company	(7,369)	(4,098)
	Non-controlling interests	(567)	(1,301)
		<u>(7,936)</u>	<u>(5,399)</u>
	Dividends	<u>8</u>	<u>-</u>
	Loss per share	6	
	– Basic	(HK1.66 cents)	(HK1.17 cents)
	– Diluted	(HK1.66 cents)	(HK1.17 cents)



Notes to the Financial Statements

Notes:

1. CORPORATE INFORMATION

Rising Power Group Holdings Limited (to be renamed as Sky Forever Supply Chain Management 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. On 16 July 2014, the principal place of business of the Company in Hong Kong changed to Room 601, 6/F, China Building, No. 29 Queen’s Road Central, Hong Kong.

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

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. The accounting policy adopted are consistent with those set out in the annual financial statements for the year ended 31 March 2014.



Notes to the Financial Statements

3. TURNOVER AND REVENUE

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

	For the three months ended 30 June	
	2014 (Unaudited) <i>HK\$'000</i>	2013 (Unaudited) <i>HK\$'000</i>
Rendering of services	<u>3,700</u>	<u>8,695</u>
Turnover	<u>3,700</u>	<u>8,695</u>
Interest income from available-for-sale financial assets	223	–
Interest income from bank deposits	<u>166</u>	<u>53</u>
Other revenue	<u>389</u>	<u>53</u>
Total turnover and revenue	<u>4,089</u>	<u>8,748</u>



4. OTHER INCOME

	For the three months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Reversal of allowance for bad and doubtful debts	-	152
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5. TAXATION

Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes for the period ended 30 June 2014 (2013: Nil).

The income tax provision in respect of operations in the People's Republic of China is calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practises in respect thereof.

Deferred tax had not been provided for the Group because the Group had no significant temporary differences at the reporting date (2013: Nil).

Notes to the Financial Statements

6. LOSS PER SHARE

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

	For the three months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss attributable to equity holders of the Company	(7,322)	(4,260)
	Number of shares	
	2014	2013
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares in issue during the period	441,817,348	362,672,645

The Company did not have any dilutive potential ordinary share for the period ended 30 June 2014. Diluted loss per share is presented as equal to the basic loss per share as a result. For the period ended 30 June 2013, dilutive 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.



7. RESERVES

	Attributable to equity holders of the Company							Non-controlling interests (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
	Share premium (Unaudited) HK\$'000	Contributed surplus (Unaudited) HK\$'000	Exchange reserve (Unaudited) HK\$'000	Warrant reserve (Unaudited) HK\$'000	Statutory reserve (Unaudited) HK\$'000	Accumulated losses (Unaudited) HK\$'000	Sub-total (Unaudited) HK\$'000		
At 1 April 2013	55,357	485,118	8,428	240	2,438	(441,394)	110,187	4,272	114,459
Loss for the period	-	-	-	-	-	(4,260)	(4,260)	(1,302)	(5,562)
<i>Items that may be reclassified subsequently to profit or loss</i>									
Other comprehensive income									
Exchange difference on consolidation	-	-	162	-	-	-	162	1	163
Total comprehensive income (loss) for the period	-	-	162	-	-	(4,260)	(4,098)	(1,301)	(5,399)
Transactions with equity holders									
<i>Contribution and distributions</i>									
Issue of shares upon placing	21,039	-	-	-	-	-	21,039	-	21,039
Capital reduction and share consolidation	(76,396)	109,588	-	-	-	-	33,192	-	33,192
	(55,357)	109,588	-	-	-	-	54,231	-	54,231
At 30 June 2013	-	594,706	8,590	240	2,438	(445,654)	160,320	2,971	163,291
At 1 April 2014	58,605	594,707	9,290	-	2,512	(517,520)	147,594	1,176	148,770
Loss for the period	-	-	-	-	-	(7,322)	(7,322)	(519)	(7,841)
<i>Items that may be reclassified subsequently to profit or loss</i>									
Other comprehensive loss									
Exchange difference on consolidation	-	-	(47)	-	-	-	(47)	(48)	(95)
Total comprehensive loss for the period	-	-	(47)	-	-	(7,322)	(7,369)	(567)	(7,936)
At 30 June 2014	58,605	594,707	9,243	-	2,512	(524,842)	140,225	609	140,834



Notes to the Financial Statements

8. DIVIDENDS

The directors do not propose the payment of any dividend for the three months ended 30 June 2014 (2013: Nil).

9. EVENT AFTER REPORTING PERIOD

On 11 July 2014, the shareholders of the Company approved at special general meeting for the change of English name of the Company from “Rising Power Group Holdings Limited” to “Sky Forever Supply Chain Management Group Limited” and the change of Chinese name of the Company from 昇力集團控股有限公司 to 宇恒供應鏈集團有限公司.

Details of the above are set out in the Company's circular dated 9 June 2014 and the Company's announcement dated 11 July 2014.

On 18 July 2014, the Group entered into an agreement with an independent third party to dispose its 100% equity interest in Beaming Investments Limited at a consideration of HK\$3,000,000. The disposal had been completed on 1 August 2014.

Details of the above are set out in the Company's announcements dated 18 July 2014 and 1 August 2014.



REVIEW AND PROSPECT OPERATIONAL REVIEW

The electromagnetic pulse protection business contributed to approximately 68% of the total turnover of the Group for the three months ended 30 June 2014. During the period, the contractual works in Hubei (湖北) brought in HK\$2.5 million revenue to the Group. Contractual works have already commenced for telecommunication operators in Shanxi (山西) and Guizhou (貴州) and are expected to be completed in the coming quarters.

In respect of energy conservation (saving) and emission reduction (“Energy Emission Reduction”), the turnover decreased from HK\$8.5 million to HK\$1.2 million. Many of the projects have been completed in the year 2014 and certain new projects in Liaoning (遼寧) and Hunan (湖南) were still in progress. The Group will continue actively in strengthening the business through participating in the tender projects in the future.

Looking forward, the Group will 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 various 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. The management believes that the supply chain management services can provide new momentum to the Group and become another major revenue stream to the Group in the forthcoming future.

FINANCIAL REVIEW

The Group recorded a decrease in turnover of approximately 57% to approximately HK\$3.7 million for the three months period ended 30 June 2014 as compared to approximately HK\$8.7 million for the corresponding period in 2013. The decrease in turnover was mainly derived from the Energy Emission Reduction business.

The Group recorded a decrease in gross profit of approximately 25% to approximately HK\$0.7 million in the current period as compared to approximately HK\$0.9 million in the previous corresponding period in 2013. Again, as our projects in the segment of energy emission reduction had not yet completed, recognized revenue decreased by 86% in the period under review. Hence, its profit contribution to the Group was lower which led to an overall decrease in gross profit of the Group.

Net loss attributable to equity holders of the Company for the three months period ended 30 June 2014 amounted to approximately HK\$7.3 million (2013: HK\$4.3 million). The increase in net loss during the period was primarily attributable to the increase in the administrative expenses, especially the professional fees of approximately HK\$2.9 million in connection to the proposed acquisition of 75% equity interest of Hong Kong Automobile Restoration Group Limited.



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

As at 30 June 2014, the interests and short position of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were deemed or taken to have under such provisions of the SFO, or which were required, pursuant to section 352 of the SFO, to be entered in the register to therein, or which were required, pursuant to the 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors, to be notified to the Company and the Stock Exchange, were as follows:

(i) interests in shares:

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

(L) denotes long position

Save as disclosed above, as at 30 June 2014, none of the directors nor the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO); or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by directors to be notified to the Company and the Stock Exchange.

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

As at 30 June 2014, other than the interests of a director of the Company as disclosed under the heading "Directors and chief executive's interests in shares, underlying shares and debentures" above, the interests and short positions of persons, in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or substantial shareholders as recorded in the register of substantial shareholders required to be kept by the Company under Section 336 of the SFO were as follows:

Name	Nature of interests	Number of the shares held	Approximate percentage of issued share capital
Starryland Profits Limited (Note 1)	Beneficial	43,960,702(L)	9.95%
Lau Kim Hung, Jack (Note 1)	Interests in controlled corporation	43,960,702(L)	9.95%
	Beneficial	672,480(L)	0.15%
Chan Yiu Kan, Katie (Note 1)	Deemed	44,633,182(L)	10.10%

(L) denotes long position

Note:

1. Starryland Profits Limited, a company incorporated in the British Virgin Islands, is wholly and beneficially owned by Mr. Lau Kim Hung, Jack ("Mr. Lau"). Mr. Lau is deemed to be interested in 43,960,702 shares held by Starryland Profits Limited.

Ms. Chan Yiu Kan, Katie ("Ms. Chan"), being the spouse of Mr. Lau, is deemed to be interested in 43,960,702 shares held by Starryland Profits Limited and 672,480 shares held by Mr. Lau.

Mr. Lau and Ms. Chan is the father-in-law and the mother-in-law of Mr. Tsang Ho Ka, Eugene, the Company's non-executive director who has resigned on 22 July 2014.

Save as disclosed above, as at 30 June 2014, the directors of the Company were not aware of any other person (other than the directors of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or, who is directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.



DIRECTORS' RIGHTS TO ACQUIRE SECURITIES

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

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

During the three months ended 30 June 2014, there were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries.

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

PRE-EMPTIVE RIGHTS

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

CODE OF CONDUCT REGARDING DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding director's securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Throughout the period ended 30 June 2014, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has applied the principles in the Code and complied with the code provisions set out in the Code for the period ended 30 June 2014.



NOMINATION COMMITTEE

A nomination committee has been established with written terms of reference in compliance with the GEM Listing Rules. During the period, the nomination committee comprises eight members, of which one executive director, namely Mr. Chan Francis Ping Kuen and seven 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, Mr. Yu Chon Man and Mr. Tam Chak Chi. The chairman of the committee is Mr. Kwok Chi Sun, Vincent.

Mr. Tam Chak Chi resigned on 2 May 2014 and ceased to be member of the nomination committee. On 18 July 2014, Mr. Huang Yunlong and Mr. Liu Weiliang, both of them are independent non-executive directors, appointed as members of the nomination committee and Mr. Gong Dongsheng, being chairman and executive director of the Company, replaced Mr. Kwok Chi Sun, Vincent to be the chairman of the nomination committee.

On 22 July 2014, Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd, Mr. Yu Chon Man, Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan, Mr. Cheung Chi Hwa, Justin and Mr. Chan Francis Ping Kuen resigned as members of the nomination committee.

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. During the period, the remuneration committee consists of eight members, of which seven are independent non-executive directors members, namely Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan, Mr. Cheung Chi Hwa, Justin, Mr. Tam Chak Chi, 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.

Mr. Tam Chak Chi resigned on 2 May 2014 and ceased to be member of the remuneration committee. On 18 July 2014, Mr. Ma Yiu Ho, Peter, Mr. Huang Yunlong and Mr. Liu Weiliang, all of them are independent non-executive directors, appointed as members of the remuneration committee and Mr. Liu Weiliang replaced Mr. Kwok Chi Sun, Vincent to be the chairman of the remuneration committee.

On 22 July 2014, Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd, Mr. Yu Chon Man, Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan, Mr. Cheung Chi Hwa, Justin and Mr. Chan Francis Ping Kuen resigned as members of the remuneration committee.



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

AUDIT COMMITTEE

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

Mr. Tam Chak Chi resigned on 2 May 2014 and ceased to be member of the audit committee. On 18 July 2014, Mr. Ma Yiu Ho, Peter, Mr. Huang Yunlong and Mr. Liu Weiliang, all of them are independent non-executive directors, appointed as members of the audit committee and Mr. Ma Yiu Ho, Peter replaced Mr. Kwok Chi Sun, Vincent to be the chairman of the audit committee.

On 22 July 2014, Mr. Kwok Kam Tim, Mr. Kinley Lincoln James Lloyd, Mr. Yu Chon Man, Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan and Mr. Cheung Chi Hwa, Justin resigned as members of the audit committee.

The unaudited financial statements of the Group for the period ended 30 June 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.

By order of the Board
Rising Power Group Holdings Limited
Gong Dongsheng
Chairman

Hong Kong, 11 August, 2014

As at the date of this report, the executive Directors are Mr. Gong Dongsheng, Ms. Chen Nan, Mr. Wu Zhinan and Mr. Woo Yik Man. The independent non-executive Directors are Mr. Ma Yiu Ho, Peter, Mr. Huang Yunlong and Mr. Liu Weiliang.