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SKY FOREVER
宇恒供應鏈

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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

HIGHLIGHTS

For the six months ended 30 September 2015 (the "Period")

- Turnover from continuing operations of the Group was approximately HK\$1,724,826,000 as compared to the turnover of approximately HK\$8,511,000 recorded in the corresponding period in 2014.
- Loss of the Group was approximately HK\$45,045,000 (2014: loss of approximately HK\$18,521,000).
- Loss attributable to equity holders of the Company was approximately HK\$44,711,000 (2014: loss of approximately HK\$17,569,000).
- The Directors do not declare the payment of an interim dividend (2014: Nil).
- Loss per share of the Company was approximately HK3.32 cents (2014: loss per share of approximately HK3.98 cents).

FINANCIAL RESULTS

The board of directors (the “Board” and “Directors” respectively) of Sky Forever Supply Chain Management Group Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (together, the “Group”) for the three months and six months ended 30 September 2015 together with the relevant comparative unaudited figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three months and six months ended 30 September 2015

		For the six months ended 30 September		For the three months ended 30 September	
		2015	2014	2015	2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations					
Turnover	3	1,724,826	8,511	263,379	4,852
Cost of services rendered and cost of goods sold		(1,717,044)	(5,645)	(256,006)	(2,655)
Gross profit		7,782	2,866	7,373	2,197
Other revenue	3	504	390	389	1
Other income	4	1,710	80	391	80
Selling and distribution costs		(8,179)	(367)	(3,220)	(125)
Administrative expenses		(41,515)	(19,849)	(22,299)	(12,094)
Share of results of associates		(1,183)	(2,561)	575	(2,308)
Loss before taxation	6	(40,881)	(19,441)	(16,791)	(12,249)
Income tax expense	7	—	—	—	—
Loss for the period from continuing operations		(40,881)	(19,441)	(16,791)	(12,249)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) *(Continued)*

For the three months and six months ended 30 September 2015

	Notes	For the six months ended 30 September		For the three months ended 30 September	
		2015	2014	2015	2014
		(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Discontinued operations	8				
(Loss) Profit for the period from discontinued operations		(4,164)	920	(3,604)	1,569
Loss for the period		(45,045)	(18,521)	(20,395)	(10,680)
Other comprehensive income (loss) for the period, net of tax					
Exchange differences on consolidation		7	(95)	189	–
Share of other comprehensive income of associates		(179)	–	(272)	–
Total comprehensive income (loss) for the period		(45,217)	(18,616)	(20,478)	(10,680)
Loss for the period attributable to:					
Equity holders of the Company		(44,711)	(17,569)	(20,315)	(10,247)
Non-controlling interests		(334)	(952)	(80)	(433)
		(45,045)	(18,521)	(20,395)	(10,680)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) *(Continued)*

For the three months and six months ended 30 September 2015

	Notes	For the six months ended 30 September		For the three months ended 30 September	
		2015	2014	2015	2014
		(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>	(Unaudited) <i>HK\$'000</i>
Total comprehensive loss attributable to:					
Equity holders of the Company		(44,832)	(17,616)	(20,412)	(10,247)
Non-controlling interests		(385)	(1,000)	(66)	(433)
		(45,217)	(18,616)	(20,478)	(10,680)
 Loss per share	9				
From continuing and discontinued operations					
– Basic		HK(3.32) cents	HK(3.98) cents	HK(1.49) cents	HK(2.32) cents
– Diluted		HK(3.32) cents	HK(3.98) cents	HK(1.49) cents	HK(2.32) cents
 From continuing operations					
– Basic		HK(3.04) cents	HK(3.81) cents	HK(1.23) cents	HK(2.23) cents
– Diluted		HK(3.04) cents	HK(3.81) cents	HK(1.23) cents	HK(2.23) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015

		As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment	11	17,583	13,747
Intangible assets		14,893	10,877
Interests in associates		7,743	9,104
Other assets		8,162	8,675
Goodwill	12	–	5,573
		48,381	47,976
Current assets			
Inventories	13	84,368	–
Other assets		1,025	1,025
Trade and other receivables	14	323,732	489,634
Bank balances and cash		46,844	281,246
		455,969	771,905
Current liabilities			
Trade and other payable	15	15,636	337,394
Tax payable		–	1,928
		15,636	339,322
Net current assets		440,333	432,583

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

As at 30 September 2015

		As at 30 September 2015 (Unaudited) <i>HK\$'000</i>	As at 31 March 2015 (Audited) <i>HK\$'000</i>
	<i>Notes</i>		
Total assets less current liabilities		488,714	480,559
Non-current liabilities			
Loan from a director		–	2,469
NET ASSETS		488,714	478,090
Capital and reserves			
Share capital	16	16,787	13,254
Reserves		471,927	467,087
Equity attributable to equity holders of the Company		488,714	480,341
Non-controlling interests		–	(2,251)
TOTAL EQUITY		488,714	478,090

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2015

	Attributable to equity holders of the Company										
	Reserves								Non-controlling interests		Total
	Issued share capital	Share premium	Contributed surplus	Exchange reserve	Warrant reserve	Statutory reserve	Accumulated losses	Total reserves	Sub-total		
	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000	(Unaudited) HK\$'000
At 1 April 2014	4,418	58,605	594,707	9,290	-	2,512	(517,520)	147,594	152,012	1,176	153,188
Loss for the period	-	-	-	-	-	-	(17,569)	(17,569)	(17,569)	(952)	(18,521)
Other comprehensive loss											
Item that may be reclassified subsequently to profit or loss											
- Exchange difference on consolidation	-	-	-	(47)	-	-	-	(47)	(47)	(48)	(95)
Total comprehensive loss for the period	-	-	-	(47)	-	-	(17,569)	(17,616)	(17,616)	(1,000)	(18,616)
Transaction with equity holders											
Change in ownership interest											
Disposal of subsidiaries	-	-	-	(136)	-	-	-	(136)	(136)	(1,217)	(1,353)
At 30 September 2014	4,418	58,605	594,707	9,107	-	2,512	(535,089)	129,842	134,260	(1,041)	133,219
At 1 April 2015	13,254	437,446	594,707	9,127	-	2,512	(576,705)	467,087	480,341	(2,251)	478,090
Loss for the period	-	-	-	-	-	-	(44,711)	(44,711)	(44,711)	(334)	(45,045)
Other comprehensive income(loss)											
Items that may be reclassified subsequently to profit or loss											
-Exchange difference on consolidation	-	-	-	58	-	-	-	58	58	(51)	7
-Share of comprehensive loss of associate	-	-	-	(179)	-	-	-	(179)	(179)	-	(179)
Total comprehensive loss for the period	-	-	-	(121)	-	-	(44,711)	(44,832)	(44,832)	(385)	(45,217)
Transactions with equity holders											
Contributions and distributions											
Issue of shares under placements	3,533	49,943	-	-	-	-	-	49,943	53,476	-	53,476
Change in ownership interest											
Disposal of subsidiaries	-	-	-	(180)	-	(91)	-	(271)	(271)	2,636	2,365
At 30 September 2015	16,787	487,389	594,707	8,826	-	2,421	(621,416)	471,927	488,714	-	488,714

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)

For the six months ended 30 September 2015

Continuing and discontinued operations

	For the six months ended 30 September 2015 (Unaudited) HK\$'000	For the six months ended 30 September 2014 (Unaudited) HK\$'000
NET CASH USED IN OPERATING ACTIVITIES	<u>(277,455)</u>	<u>(30,479)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,008)	(15,479)
Disposal of subsidiaries	(1,101)	2,891
Disposal of available-for-sale financial assets	–	14,944
Refund of deposit paid for acquisition of subsidiaries	–	17,940
Purchase of intangible assets	(4,022)	–
Interest received	<u>504</u>	<u>390</u>
NET CASH (USED IN) FROM INVESTING ACTIVITIES	<u>(10,627)</u>	<u>20,686</u>
FINANCING ACTIVITIES		
Proceeds from issue of shares under placements	<u>53,680</u>	<u>–</u>
NET CASH FROM FINANCING ACTIVITIES	<u>53,680</u>	<u>–</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED) *(Continued)*

For the six months ended 30 September 2015

Continuing and discontinued operations

	For the six months ended 30 September 2015 (Unaudited) HK\$'000	For the six months ended 30 September 2014 (Unaudited) HK\$'000
DECREASE IN CASH AND CASH EQUIVALENTS	(234,402)	(9,793)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	281,246	86,675
	46,844	76,882
Effect of foreign exchange rate changes	–	(23)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	46,844	76,859
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	46,844	76,859

Notes to the condensed consolidated financial statements

1. CORPORATE INFORMATION

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 ("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 Room 601, 6/F, China Building, 29 Queen's Road Central, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are supply chain management services and the provision of energy management business.

2. STATEMENT OF COMPLIANCE

The unaudited condensed consolidated interim financial statements for the Period have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules"). These financial statements are unaudited but have been reviewed by the Company's audit committee.

These unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2015 and have been prepared on the historical cost basis.

The accounting policies used in preparing these unaudited condensed consolidated interim financial statements are consistent with those used in the Group's audited consolidated financial statements for the year ended 31 March 2015. The adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRSs") that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current and prior periods.

3. TURNOVER AND OTHER REVENUE

An analysis of the Group's turnover and other revenue during the Period is as follows:

	For the six months ended 30 September		For the three months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Continuing operations				
Rendering of services	–	7,809	–	4,150
Sales of goods	1,724,826	702	263,379	702
	1,724,826	8,511	263,379	4,852
Discontinued operations				
Rendering of services	760	2,066	175	2,025
Turnover	1,725,586	10,577	263,554	6,877
Continuing operations				
Interest income from available-for-sale financial assets	–	223	–	–
Interest income	504	167	389	1
Other revenue	504	390	389	1
Total turnover and other revenue	1,726,090	10,967	263,943	6,878

4. OTHER INCOME

	For the six months ended 30 September		For the three months ended 30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reversal of allowance for bad and doubtful debts	–	80	–	80
Sundry income	1,710	–	391	–
	1,710	80	391	80

5. SEGMENT 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, 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:

- Supply chain management segment which provides services involving the planning and implementation of an integrated solution for the effective flow of business, logistic, information and funds;

5. SEGMENT INFORMATION *(Continued)*

- 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 interest in associates 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.

5. SEGMENT INFORMATION *(Continued)*

(b) Business segments

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

For the six months ended 30 September

	Continuing operations				Discontinued operations			
	Supply chain management services business		Energy management business		Lightning electromagnetic pulse business		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue								
Sale/Services to external customers	1,724,826	702	-	3,006	760	4,803	1,725,586	8,511
Segment results	(24,300)	(6)	(531)	(203)	(713)	179	(25,544)	(30)
Unallocated income							2,214	1,276
Unallocated expenses							(20,532)	(17,320)
Share of results of associates							(1,183)	(2,561)
Loss before taxation							(45,045)	(18,635)
Income tax expense							-	-
Loss for the period							(45,045)	(18,635)

5. SEGMENT INFORMATION *(Continued)*

(b) Business segments *(Continued)*

	Continuing operations				Discontinued operations			
	Supply chain management services business		Energy management business		Lightning electromagnetic pulse business		Consolidated	
	30 September 2015	31 March 2015	30 September 2015	31 March 2015	30 September 2015	31 March 2015	30 September 2015	31 March 2015
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets and liabilities								
Segment assets	423,740	560,088	7,353	8,670	-	13,859	431,093	582,617
Unallocated assets including interests in associates							73,257	237,264
Consolidated total assets							504,350	819,881
Segment liabilities	5,279	318,984	10,157	10,068	-	6,685	15,436	335,737
Unallocated liabilities							200	6,054
Consolidated total liabilities							15,636	341,791

6. LOSS BEFORE TAXATION

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

	For the six months ended 30 September		For the three months ended 30 September	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss (Gain) on disposal of subsidiaries	3,451	(806)	3,451	(806)
Loss on disposal of available-for-sale financial assets	–	70	–	–
Depreciation of property, plant and equipment	2,018	802	1,020	707
Amortisation of				
– intangible assets	6	–	3	–
– other assets	1,933	626	967	626

7. INCOME TAX EXPENSE

Hong Kong Profits Tax has not been provided as the Group incurred a loss for taxation purposes for the Period (2014: Nil).

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

Deferred tax had not been provided for the Group because the Group had no significant temporary differences at the reporting date (2014: Nil).

8. DISCONTINUED OPERATIONS

On 27 July 2015, Power Chance Limited, an indirect wholly owned subsidiary of the Company, entered into and completed a sale and purchase agreement with an independent third party (the “Investor”) pursuant to which Power Chance Limited sold the entire equity interest of Boomtech Limited and its subsidiaries (collectively known as “Boomtech”) at a consideration of HK\$400,000 (the “Disposal”). Upon completion of the Disposal, the Group no longer has any equity interest in Boomtech.

Management considers that following the Disposal, the Group’s control over Boomtech had been discontinued and thereby constituted discontinued operations. Accordingly, certain comparative figures in the consolidated statement of comprehensive income have been re-presented to separately reflect the results of the continuing operations and discontinued operations. The results of the discontinued operations for the periods ended 30 September 2015 and 2014 have been analysed as follows:

8. DISCONTINUED OPERATIONS *(Continued)*

(a) Profit/(Loss) for the period from discontinued operations

	For the six months ended 30 September 2015 (Unaudited) HK\$'000	For the six months ended 30 September 2014 (Unaudited) HK\$'000	For the three months ended 30 September 2015 (Unaudited) HK\$'000	For the three months ended 30 September 2014 (Unaudited) HK\$'000
Turnover	760	4,803	175	2,286
Cost of services rendered and cost of goods sold	(326)	(3,103)	(32)	(854)
	434	1,700	143	1,432
Other income	–	1	–	1
Selling and distribution costs	(94)	(305)	(22)	(88)
Administrative expenses	(1,053)	(1,217)	(274)	(714)
(Loss) profit before taxation	(713)	179	(153)	631
Income tax expenses	–	–	–	–
(Loss) profit after taxation	(713)	179	(153)	631
Loss on disposal of subsidiaries	(3,451)	–	(3,451)	–
Income tax related to loss on disposal of subsidiaries	–	–	–	–
Net (loss) profit attributable to discontinued operations	(4,164)	179	(3,604)	631
(Loss) profit from discontinued operations attributable to:				
– Equity holders of the Company	(3,830)	98	(3,535)	347
– Non-controlling interests	(334)	81	(69)	284
	(4,164)	179	(3,604)	631

8. DISCONTINUED OPERATIONS *(Continued)*

(b) The net cash outflows attributable to discontinued operations

	For the six months ended 30 September 2015 (Unaudited) HK\$'000	For the six months ended 30 September 2014 (Unaudited) HK\$'000
Net cash flows		
Operating activities	(978)	(329)
Investing activities	—	—
Financing activities	—	(131)
Total net cash outflows	(978)	(460)

9. LOSS PER SHARE

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

	For the six months ended 30 September 2015 (Unaudited) HK\$'000		For the three months ended 30 September 2015 (Unaudited) HK\$'000	
	2014 (Unaudited) HK\$'000		2014 (Unaudited) HK\$'000	
Loss attributable to equity holders of the Company from continuing and discontinued operations	(44,711)	(17,569)	(20,315)	(10,247)
Loss attributable to equity holders of the Company from continuing operations	(40,881)	(16,824)	(16,780)	(9,830)
Weighted average number of ordinary shares in issue during the period	1,346,213,563	441,817,348	1,366,749,413	441,817,348

The Company did not have any dilutive potential ordinary shares for the Period and the period ended 30 September 2014. Accordingly, the diluted loss per share is the same as basic loss per share.

10.DIVIDENDS

The Directors do not declare the payment of an interim dividend for the Period (2014: Nil).

11.PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of approximately HK\$6,008,000 (2015: approximately HK\$16,072,000).

12.GOODWILL

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
At cost less accumulated impairment losses		
At beginning of the reporting period	5,573	10,808
Disposals (i)	(5,573)	(1,235)
Impairment loss	—	(4,000)
At end of the reporting period	—	5,573

- (i) Upon the disposal as detailed in note 8 to the unaudited condensed consolidated financial statements, the goodwill with carrying amount of HK\$5,573,000 was derecognised and included in the determination of loss of disposal of subsidiaries.

13.INVENTORIES

Inventories comprise of stock in trade.

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Finished goods	84,368	—

14. TRADE AND OTHER RECEIVABLES

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Trade receivables from third parties	346,880	458,033
Allowance for bad and doubtful debts	(78,405)	(78,405)
	268,475	379,628
 Other receivables		
Prepayments	24,847	17,084
Advance payment to suppliers	—	87,302
Deposits	27,507	2,747
Other receivables	2,618	2,590
Due from associates	285	283
	55,257	110,006
	323,732	489,634

14. TRADE AND OTHER RECEIVABLES *(Continued)*

Except for 360 days being granted to certain customers under supply chain management business, the Group normally grants credit term of 90 days to its customers upon the delivery of products or when the services are rendered and invoices are issued. The aging of trade receivables (net of allowances of bad and doubtful debts) based on invoice date is as follows:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Less than 90 days	263,288	242,652
91 – 180 days	–	132,087
181 – 270 days	3,167	835
271 – 365 days	–	–
Over 1 year	2,020	4,054
	268,475	379,628

15. TRADE AND OTHER PAYABLES

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Trade payables	4,184	314,375
Other payables	11,452	23,019
	15,636	337,394

Included in trade and other payables are trade payable with the following aging analysis, based on invoice date:

	As at 30 September 2015 (Unaudited) HK\$'000	As at 31 March 2015 (Audited) HK\$'000
Less than 90 days	—	229,961
91 to 180 days	3,514	84,414
over 180 days	670	—
	4,184	314,375

16.SHARE CAPITAL

	Number of shares		Nominal value	
	30 September	31 March	30 September	31 March
	2015	2015	2015	2015
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
			HK\$'000	HK\$'000
<i>Authorised:</i>				
At beginning and at end of the period/year				
Ordinary shares of HK\$0.01 each	20,000,000,000	20,000,000,000	200,000	200,000
<i>Issued and fully paid:</i>				
At beginning of the period/year				
Ordinary shares of HK\$0.01 each	1,325,452,044	441,817,348	13,254	4,418
Shares issued upon rights issue	–	883,634,696	–	8,836
Shares issued upon placing in August and September 2015	353,363,469	–	3,533	–
At the end of the period/year				
Ordinary shares of HK\$0.01 each	1,678,815,513	1,325,452,044	16,787	13,254

17.CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital expenditure commitments:

	30 September	31 March
	2015	2015
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Contracted but not provided for, net of deposit paid		
– Purchase of intangible assets	–	2,638

MANAGEMENT DISCUSSION AND ANALYSIS

Operational review

The supply chain management service is the main focus of the Group. The Group is providing intermediate service between suppliers and customers and it takes advantage of the business networks and resources in order to assist small and medium-sized enterprises in various industries to minimize the overall operation cost. Owing to the solid financial background of the Group and the great demand for supply chain service in mainland China, the Group has established many strategic partnerships with other supply chain companies, so as to undertake the operation of purchase and sales based on the services on import and export trade, logistic, customs clearance and storage.

To cope with the growing business of the supply chain management, Shenzhen Qianhai Sky Forever Industry Chain Management Company Limited (a wholly-owned subsidiary of the Company) is collaborating with SAP (Beijing) Software System Company Limited for designing and building up an effective big data platform. The platform will support point to point operation process, real time planning, execution, reporting and analysis function. It is expected that the new system under our development embodies the main idea of supply chain management – centralized purchase, production, sales, settlement and financial management. The system of big data platform is in progress and would be tested, implemented and applied in the trades.

The lightning electromagnetic pulse protection business and energy management business shrunk substantially during the Period as the Group's major customer already completed their projects and the revenue from the maintenance involved was substantially lower than the revenue from the construction of these devices. During the period, in July 2015, the Group disposed its interest in Boomtech which operated the lightning electromagnetic pulse protection business.

Financial review

The Group recorded substantial increase in turnover of approximately 203 times to approximately HK\$1,724,826,000 for the Period as compared to approximately HK\$8,511,000 for the corresponding period in 2014. The increase in turnover was due to the supply chain management services business. The Group has continued to develop business relationship with the business partners and potential partners in the PRC in order to increase and explore the new sources of income.

Save for such new sources of income, the Group experienced a decrease of approximately 90% in the service fee income from lightning electromagnetic pulse protection business and energy management business for the Period as compared with the corresponding period in 2014. The Group disposed the lightning electromagnetic pulse protection business during the Period.

The Group recorded an increase in gross profit of approximately 272% to approximately HK\$7,782,000 in the Period as compared with approximately HK\$2,866,000 in the corresponding period in 2014. However the gross profit margin decreased from 34% in the corresponding period in 2014 to 0.5% in the Period. The decrease in gross profit margin was mainly due to the low profit margin of supply chain management business. The Group will continue to control the material costs and explore new business so as to improve the gross profit of the Group.

During the reporting period, administrative expenses incurred by the Group were approximately HK\$41,515,000 (2014: approximately HK\$19,849,000). The increase was mainly due to the increase in sponsor fee, rent and rates, salaries and payroll. Net loss attributable to equity holders of the Company for the Period amounted to approximately HK\$44,711,000 (2014: approximately HK\$17,569,000).

Outlook

With the development of the PRC economy and various industry chains as well as the economic reforms as implemented by the PRC government, the Group expects to further explore and enhance its business of supply chain management and broaden its customer base and geographic reach. The Group will continue to work with partners from different sectors to build a national and comprehensive integrated supply chain platform. Meanwhile, the Group will continue to look for opportunities to create shareholders' value through making investments and/or acquiring business or projects that have promising outlooks and prospects.

Liquidity, financial resources and capital structure

As at 30 September 2015, the Group had total assets of approximately HK\$504,350,000 (31 March 2015: approximately HK\$819,881,000), including bank balances and cash of approximately HK\$46,844,000 (31 March 2015: approximately HK\$281,246,000).

For the Period, the Group financed its operations mainly with its own working capital and there were no general banking facilities. There was no charge on the Group's assets as at 30 September 2015 (31 March 2015: Nil).

As at 30 September 2015, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was zero (31 March 2015: Nil). The Group had no bank borrowings as at 30 September 2015 (31 March 2015: Nil).

Placing of new shares

1. On 30 July 2015, a share placing agreement (the "Share Placing Agreement") was entered into between the Company and Sino Wealth Securities Limited (the "Placing Agent A"), pursuant to which the Company had appointed the Placing Agent A to procure altogether not less than six placees for subscribing up to an aggregate of 88,363,469 new shares (the "Placing Shares A") at HK\$0.172 per Placing Share (the "Share Placing A"). The Share Placing A was subject to the conditions set out in the Share Placing Agreement. 88,363,469 Placing Shares A were allotted and issued by the Company on 28 August 2015 pursuant to the Share Placing Agreement.

The net proceeds arising from the Share Placing A amounted to approximately HK\$14,850,000, net of expenses, which will be used as general working capital of the Group.

For further details of the Share Placing A please refer to the Company's announcements dated 30 July 2015 and 28 August 2015 respectively.

2. On 8 September 2015, a placing agreement (the “Placing Agreement”) was entered into between the Company and Kingston Securities Limited (the “Placing Agent B”), pursuant to which the Company had appointed the Placing Agent B to procure altogether not less than six placees for subscribing up to an aggregate of 265,000,000 new shares (the “Placing Shares B”) at HK\$0.15 per Placing Share (the “Placing B”). The Placing B was subject to the conditions set out in the Placing Agreement. 265,000,000 Placing Shares B were allotted and issued by the Company on 25 September 2015 pursuant to the Placing Agreement.

The net proceeds arising from the Placing B amounted to approximately HK\$38,590,000, net of expenses, which will be used as general working capital and/or future investments of the Group, with an aim to diversify the business portfolios and/or income stream of the Group.

Please refer to the Company’s announcements dated 8 September 2015 and 25 September 2015 respectively for further details of the Placing B.

Exposure to fluctuations in exchange rates and related hedges

Most of the transactions of the Group are denominated in Hong Kong Dollar (“HKD”) and Renminbi (“RMB”). The Group adopts a conservative treasury policy with most of the bank deposits being kept in HKD, or in the local currencies of the operating subsidiaries to minimize exposure to foreign exchange risks. As at 30 September 2015, the Group had no foreign exchange contracts, interests or currency swaps or other financial derivatives for hedging purposes.

Significant investments, material acquisitions and disposal of subsidiaries and affiliated companies

Except those as disclosed above, the Group had no significant investments, material acquisition or disposal of subsidiaries and affiliated companies during the Period.

Pledge of Assets and Contingent liabilities

The Group had no pledge of assets and contingent liability as at 30 September 2015 (31 March 2015: Nil).

Employees and remuneration policies

As at 30 September 2015, the Group had 39 (31 March 2015: 86) employees including the Directors. Total staff costs (excluding Directors' emoluments) amounted to approximately HK\$7,395,000 for the Period, as compared to approximately HK\$5,010,000 in the corresponding period in 2014. Remuneration is determined by 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.

Future plans for material investments or capital assets and their expected sources of funding in the coming year

The Group has no future plans for material investments or capital assets in the coming year.

INTERIM DIVIDEND

The Directors do not declare the payment of an interim dividend for the Period (2014: Nil).

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

As at 30 September 2015, none of the Directors nor the chief executive of the Company ("Chief Executive") had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO") which were required: (a) 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 (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by Directors to be notified to the Company and the Stock Exchange.

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

As at 30 September 2015, 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 was, 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 the Company, 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 of shareholders	Nature of interests	Number of the shares held	Approximate percentage of issued share capital
YAN Chuyi ("Mr. YAN") (Note 1)	Beneficial owner	187,576,000 (L)	11.18%
	Interest of spouse	6,416,000 (L)	0.38%
ZHOU Zhaoshan ("Ms. ZHOU") (Note 1)	Beneficial owner	6,416,000 (L)	0.38%
	Interest of spouse	187,576,000 (L)	11.18%

(L) denotes long position

Note 1: Ms. ZHOU beneficially owned 6,416,000 shares. Mr. YAN, by virtue of being the husband of Ms. ZHOU, was deemed to be interested in 6,416,000 shares held by Ms. ZHOU. Mr. YAN beneficially owned 187,576,000 shares. Ms. ZHOU, being the wife of Mr. YAN, was deemed to be interested in 187,576,000 shares held by Mr. YAN.

Save as disclosed above, as at 30 September 2015, the Directors were not aware of any other person 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 was 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 the Company, 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.

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

The Company did not redeem any of its listed shares (the "Shares"), nor did the Company or any of its subsidiaries purchase or sell any such Shares during the Period.

CHANGE OF DIRECTORS' AND CHIEF EXECUTIVE'S INFORMATION

There was no change of Directors' and Chief Executive's information since the disclosure made in the Company's 2015-2016 first quarterly report dated 14 August 2015 except the following:

- Mr. CHOW Wong Sing, Bobby resigned as a joint chief executive officer of the Company with effect from 28 July 2015.

DIRECTORS' INTERESTS IN COMPETING INTERESTS

During the Period, none of the Directors or the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Director's securities transactions 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. Having been made a specific enquiry by the Company, each of them confirmed that he/she had complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the Period.

CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 to the GEM Listing Rules. The Company has applied the principles in the CG Code and complied with the code provisions set out in the CG Code for the Period except the following.

Code provision E.1.2 of the CG Code stipulates that the chairman of the Board should attend to answer questions at the AGM. Following the resignation of Mr. YU Weiye as the chairman of the Board on 7 July 2015, there was no suitable candidate to fill up the position up to the date of 2015 AGM held on 6 August 2015. However, Mr. LI Zhiki, an executive Director, acted as chairman of the 2015 AGM to ensure an effective communication with the Shareholders. The Company subsequently appointed Mr. Johnny HUANG as the chairman of the Board with effect from 7 August 2015.

NOMINATION COMMITTEE

A nomination committee of the Company (the “Nomination Committee”) was established in March 2012 with written terms of reference in compliance with the GEM Listing Rules. As at 30 September 2015, the Nomination Committee comprised three members, all are independent non-executive Directors, namely Mr. CHUI Man Lung, Everett, Ms. LI Mei and Mr. LIU Weiliang. The chairman of the Nomination Committee was Mr. CHUI Man Lung, Everett.

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

REMUNERATION COMMITTEE

A remuneration committee of the Company (the “Remuneration Committee”) was established in January 2006 with written terms of reference in compliance with the code provision of the CG Code. As at 30 September 2015, the Remuneration Committee consisted of three members, all are independent non-executive Directors, namely Mr. CHUI Man Lung, Everett, Ms. LI Mei and Mr. LIU Weiliang. The chairman of the Remuneration Committee was Mr. CHUI Man Lung, Everett.

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

An audit committee of the Company (the “Audit Committee”) was established in 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. As at 30 September, 2015, the Audit Committee comprised three independent non-executive Directors, namely Mr. CHUI Man Lung, Everett, Ms. LI Mei and Mr. LIU Weiliang. The chairman of the Audit Committee was Mr. CHUI Man Lung, Everett.

The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the Audit Committee, which is of the opinion that such statements comply with the applicable accounting standards, requirements of the GEM Listing Rules and any other applicable laws and that adequate disclosures have been made.

By order of the Board

Sky Forever Supply Chain Management Group Limited

Johnny HUANG

Chairman and Executive Director

Hong Kong, 9 November 2015

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

As at the date of this announcement, the executive Directors are Mr. Johnny Huang, Mr. Chen Jiang, Ms. Huang He and Mr. Wu Zhinan and the independent non-executive Directors are Mr. Chui Man Lung Everett, Ms. Li Mei and Mr. Liu Weiliang.