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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2016

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

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

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

The Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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

FINANCIAL RESULTS

The board of Directors (the "Board") of the Company hereby announces the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2016 (the "Year") together with the comparative figures for the corresponding year in 2015 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2016

	Note	**2016** *HK$'000*	2015 *HK$'000*
Continuing operations			
Revenue	*5*	**1,665,011**	1,632,858
Cost of services rendered and cost of goods sold		**(1,655,152)**	(1,623,635)
Gross profit		**9,859**	9,223
Other revenue	*5*	**510**	550
Other income		**21**	328
Selling and distribution costs		**(10,771)**	(4,151)
Administrative expenses		**(58,490)**	(60,206)
Other operating expenses		**(132,398)**	(4,070)
Share of results of associates		**(8,811)**	(1,523)
Loss before taxation from continuing operations	*6*	**(200,080)**	(59,849)
Income tax expenses	*7*	**(1,622)**	–
Loss for the year from continuing operations		**(201,702)**	(59,849)
Discontinued operations			
Loss for the year from discontinued operations	*10*	**(4,164)**	(1,426)
Loss for the year		**(205,866)**	(61,275)

	Note	**2016**	2015
		HK$'000	*HK$'000*
Other comprehensive (loss) income for the year:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on consolidation		**(11)**	165
Share of other comprehensive loss of associates		**(293)**	(312)
		(304)	(147)
Total comprehensive loss for the year		**(206,170)**	(61,422)
Loss attributable to:			
Equity holders of the Company	*9*	**(205,532)**	(59,185)
Non-controlling interests		**(334)**	(2,090)
		(205,866)	(61,275)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(205,785)**	(59,212)
Non-controlling interests		**(385)**	(2,210)
		(206,170)	(61,422)
Loss per share	*9*		
From continuing and discontinued operations			
Basic		**(HK13.57 cents)**	(HK10.15 cents)
Diluted		**(HK13.57 cents)**	(HK10.15 cents)
From continuing operations			
Basic		**(HK13.32 cents)**	(HK10.26 cents)
Diluted		**(HK13.32 cents)**	(HK10.26 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	Note	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**5,559**	13,747
Intangible assets		**109**	10,877
Interests in associates		**–**	9,104
Other assets		**6,790**	8,675
Goodwill		**–**	5,573
		12,458	47,976
Current assets			
Other assets		**906**	1,025
Inventories		**10,018**	–
Trade and other receivables	*11*	**313,937**	489,634
Bank balances and cash		**7,444**	281,246
		332,305	771,905
Current liabilities			
Trade and other payables	*12*	**15,380**	337,394
Tax payable		**1,622**	1,928
		17,002	339,322
Net current assets		**315,303**	432,583
Total assets less current liabilities		**327,761**	480,559
Non-current liabilities			
Loan from a director		**–**	2,469
		–	2,469
NET ASSETS		**327,761**	478,090

	Note	**2016**	2015
		HK$'000	*HK$'000*
Capital and reserves			
Share capital		**16,787**	13,254
Reserves		**310,974**	467,087
Equity attributable to equity holders of the Company		**327,761**	480,341
Non-controlling interests		**–**	(2,251)
TOTAL EQUITY		**327,761**	478,090

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2016

	Attributable to equity holders of the Company									
		Reserves								
	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Exchange reserve *HK$'000*	Statutory reserve *HK$'000*	Accumulated losses *HK$'000*	Total reserves *HK$'000*	Subtotal *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'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 year	–	–	–	–	–	(59,185)	(59,185)	(59,185)	(2,090)	(61,275)
Other comprehensive income (loss)										
Items that may be reclassified subsequently to profit or loss										
Exchange differences on consolidation	–	–	–	285	–	–	285	285	(120)	165
Share of other comprehensive loss of associates	–	–	–	(312)	–	–	(312)	(312)	–	(312)
Total comprehensive loss for the year	–	–	–	(27)	–	(59,185)	(59,212)	(59,212)	(2,210)	(61,422)
Transactions with equity holders										
Contributions and distributions										
Issue of shares upon rights issues	8,836	378,841	–	–	–	–	378,841	387,677	–	387,677
Total transactions with equity holders	8,836	378,841	–	–	–	–	378,841	387,677	–	387,677
Disposal of subsidiaries	–	–	–	(136)	–	–	(136)	(136)	(1,217)	(1,353)
At 31 March 2015	13,254	437,446	594,707	9,127	2,512	(576,705)	467,087	480,341	(2,251)	478,090

	Attributable to equity holders of the Company									
		Reserves								
	Share capital *HK$'000*	Share premium *HK$'000*	Contributed surplus *HK$'000*	Exchange reserve *HK$'000*	Statutory reserve *HK$'000*	Accumulated losses *HK$'000*	Total reserves *HK$'000*	Subtotal *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
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 year	–	–	–	–	–	(205,532)	(205,532)	(205,532)	(334)	(205,866)
Other comprehensive income (loss)										
Items that may be reclassified subsequently to profit or loss										
Exchange differences on consolidation	–	–	–	40	–	–	40	40	(51)	(11)
Share of other comprehensive loss of associates	–	–	–	(293)	–	–	(293)	(293)	–	(293)
Total comprehensive loss for the year	–	–	–	(253)	–	(205,532)	(205,785)	(205,785)	(385)	(206,170)
Transactions with equity holders										
Contributions and distributions										
Issue of shares upon placing in August 2015	883	13,978	–	–	–	–	13,978	14,861	–	14,861
Issue of shares upon placing in September 2015	2,650	35,965	–	–	–	–	35,965	38,615	–	38,615
Total transactions with equity holders	3,533	49,943	–	–	–	–	49,943	53,476	–	53,476
Disposal of subsidiaries	–	–	–	(180)	(91)	–	(271)	(271)	2,636	2,365
At 31 March 2016	16,787	487,389	594,707	8,694	2,421	(782,237)	310,974	327,761	–	327,761

Notes:

1. CORPORATE INFORMATION

The Company is 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 GEM of 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 Suite 2002, 2/F., United Centre, 95 Queensway, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are 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 capital which can be applied for various kinds of industry chains and the provision of energy management services.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "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 GEM Listing Rules.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2015 consolidated financial statements except for the adoption of certain new/revised HKFRSs that are relevant to the Group and effective from the current year as detailed in note 3 to this announcement.

3. ADOPTION OF NEW/REVISED HKFRSs

Annual Improvements Project: 2010-2012 Cycle

The amendments relevant to the Group include the followings:

(1) HKFRS 2 Share-based Payment

The amendments add definitions for "performance condition" and "service condition" which were previously part of the definition of "vesting condition" and update the definitions of "vesting condition" and "market condition". These amendments do not have an impact on the consolidated financial statements.

(2) HKFRS 3 Business Combinations

These amendments delete the reference to "other applicable HKFRSs" in the classification requirements in HKFRS 3 for contingent consideration in a business combination. All non-equity contingent consideration shall be measured at fair value at the end of each reporting period. Changes in the fair value that are not measurement period adjustments shall be recognised in profit or loss. These amendments do not have an impact on the consolidated financial statements.

(3) HKFRS 8 Operating Segments

HKFRS 8 is updated as follows:

a) Judgements made by management in aggregating two or more operating segments exhibiting similar long-term financial performance and economic characteristics are required to be disclosed. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. These amendments do not have an impact on the consolidated financial statements.

b) It is clarified that the reconciliation of the total reportable segments' assets to the entity's assets is only required to be disclosed if the segment assets are regularly reported to the chief operating decision maker. These amendments do not have an impact on the consolidated financial statements.

3. ADOPTION OF NEW/REVISED HKFRSs (CONTINUED)

(4) HKFRS 13 Fair Value Measurement

The basis for conclusions is amended to clarify that the issuance of HKFRS 13 and the consequential amendments to HKFRS 9 and HKAS 39 did not remove the entity's ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, when the effect of not discounting is immaterial. These amendments do not have significant impact on the consolidated financial statements.

(5) HKAS 24 Related Party Disclosures

HKAS 24 is amended to clarify that an entity, or any member of a group of which it is a part, providing key management personnel services (the "management entity") to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. The reporting entity shall disclose the amounts incurred for key management personnel services that are provided by the management entity. However, the compensation paid or payable by the management entity to its employees or directors is not required to be disclosed. These amendments do not have significant impact on the consolidated financial statements.

Annual Improvements Project – 2011-2013 Cycle

The amendments relevant to the Group include the followings:

(1) HKFRS 3 Business Combinations

HKFRS 3 is amended to exclude from its scope the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangements themselves. These amendments do not have an impact on the consolidated financial statements.

(2) HKFRS 13 Fair Value Measurement

These amendments clarify that all contracts within the scope of HKAS 39 or HKFRS 9 are included in the scope of the exception as set out in HKFRS 13 for measuring the fair value of a group of financial assets and financial liabilities on a net basis, even if those contracts do not meet the definitions of financial assets or financial liabilities in HKAS 32. These amendments do not have significant impact on the consolidated financial statements.

Impact of the amendments of the GEM Listing Rules

The Group has adopted the amendments to the GEM Listing Rules issued by the Stock Exchange relating to the disclosure of financial information with reference to the financial reporting requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) during the current year. As a result, there are changes to the presentation and disclosures of certain information as compared with the 2015 consolidated financial statements. Where appropriate, the comparative information has been amended to achieve a consistent presentation.

3. ADOPTION OF NEW/REVISED HKFRSs (CONTINUED)

Future changes in HKFRSs

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

Amendments to HKAS 1	Disclosure Initiative [1]
Amendments to HKASs 16 and 38	Clarification of Acceptable Methods of Depreciation and Amortisation [1]
Amendments to HKASs 16 and 41	Agriculture: Bearer Plants [1]
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements [1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception [1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations [1]
HKFRS 14	Regulatory Deferral Accounts [1]
Various HKFRSs	Annual Improvement Project – 2012-2014 Cycle [1]
HKFRS 15 and clarifications to HKFRS 15	Revenue from Contracts with Customers [2]
HKFRS 9 (2014)	Financial Instruments [2]
HKFRS 16	Leases [3]
Amendments to HKAS 28 (2011) and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]

[1] Effective for annual periods beginning on or after 1 January 2016

[2] Effective for annual periods beginning on or after 1 January 2018

[3] Effective for annual periods beginning on or after 1 January 2019

[4] The effective date of the amendments which was originally intended to be effective for annual periods beginning on or after 1 January 2016 has been deferred/removed

The Directors are in the process of assessing the possible impact on the adoption of the new/revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the consolidated financial statements.

4. SEGMENTAL INFORMATION

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

– 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;

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

– Lightning electromagnetic pulse segment which provides integrated solutions for lightning electromagnetic pulse protection and its related engineering design, construction and technical services, which is considered as the discontinued operations as detailed in note 10 to this announcement.

(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 segment.

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.

4. SEGMENTAL INFORMATION (CONTINUED)

(a) Segment results, assets and liabilities (Continued)

Information regarding the Group's reporting segments as provided to the Group's chief operating decision makers for the purposes of resource allocation and assessment of segment performance for the years ended 31 March 2016 and 2015 is set out below.

Continuing operations

	Supply chain management services business		Energy management business		Consolidated	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue						
Sale of goods to external customers	**1,662,799**	1,630,379	**–**	–	**1,662,799**	1,630,379
Service fees from external customers	**130**	557	**2,082**	1,922	**2,212**	2,479
	1,662,929	1,630,936	**2,082**	1,922	**1,665,011**	1,632,858
Segment results	**(160,204)**	(13,880)	**(3,046)**	(1,293)	**(163,250)**	(15,173)
Loss on disposal of available-for-sale financial assets					**–**	(70)
Impairment loss of goodwill					**–**	(4,000)
Unallocated income					**499**	629
Unallocated expenses					**(28,518)**	(39,712)
Share of results of associates					**(8,811)**	(1,523)
Loss before taxation					**(200,080)**	(59,849)
Income tax expenses					**(1,622)**	–
Loss for the year from continuing operations					**(201,702)**	(59,849)

4. SEGMENTAL INFORMATION (CONTINUED)

(a) Segment results, assets and liabilities (Continued)

	Supply chain management services business		Energy management business		Consolidated	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Assets and liabilities						
Segment assets	**321,206**	560,088	**5,569**	8,670	**326,775**	568,758
Assets relating to discontinued operations					**–**	13,859
Unallocated assets, including interests in associates					**17,988**	237,264
Consolidated total assets					**344,763**	819,881
Segment liabilities	**3,708**	318,984	**8,101**	10,068	**11,809**	329,052
Liabilities relating to discontinued operations					**–**	6,685
Unallocated liabilities					**5,193**	6,054
Consolidated total liabilities					**17,002**	341,791
Other segment information						
Amortisation of intangible assets	**–**	–	**–**	–	**13**	4
Amortisation of other assets	**–**	–	**–**	–	**1,024**	545
Bad debts written off	**984**	–	**–**	–	**984**	–
Depreciation	**69**	13	**224**	232	**4,268**	2,895
Impairment loss of intangible assets	**14,775**	–	**–**	–	**14,775**	–
Impairment loss of property, plant and equipment	**3,934**	–	**–**	–	**3,934**	–
Loss on disposal of property, plant and equipment and other assets	**–**	–	**–**	–	**1,751**	–
Provision for prepayment	**24,999**	–	**–**	–	**24,999**	–
Write down of inventories	**64,651**	–	**–**	–	**64,651**	–
Write off of prepayment	**2,508**	–	**–**	–	**2,508**	–
Additions to non-current assets	**8,016**	10,923	**–**	–	**8,779**	37,198

4. SEGMENTAL INFORMATION (CONTINUED)

(b) Geographical information

The Group's operations are primarily derived from external customers located in Hong Kong and the People's Republic of China (''PRC''). The following table provides an analysis of the Group's revenue from external customers by geographical market and information about the non-current assets by locations of assets:

	Revenue from external customers		Carrying amounts of non-current assets	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**298,945**	783,543	**11,788**	21,583
PRC	**1,366,066**	849,315	**670**	26,393
	1,665,011	1,632,858	**12,458**	47,976

(c) Information about major customers

For the Year, three customers (2015: three customers) that individually accounted for over 10% of total revenue for continuing operations of the Group are set out below:

	Supply chain management services business		Consolidated	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Customer A	**401,740**	342,306	**401,740**	342,306
Customer B	**214,768**	166,744	**214,768**	166,744
Customer C	**214,284**	–	**214,284**	–
Customer D	**–**	698,736	**–**	698,736
	830,792	1,207,786	**830,792**	1,207,786

5. REVENUE

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

	2016	2015
	HK$'000	*HK$'000*
Sale of goods from:		
Supply chain management services business	**1,662,799**	1,630,379
Service fees from:		
Energy management business	**2,082**	1,922
Supply chain management services business	**130**	557
Revenue	**1,665,011**	1,632,858
Interest income from bank deposits	**510**	227
Interest income from available-for-sale financial assets	**–**	223
Interest income from other receivables	**–**	100
Other revenue	**510**	550
Total revenue	**1,665,521**	1,633,408

6. LOSS BEFORE TAXATION

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

	2016	2015
	HK$'000	*HK$'000*
Employee benefit expenses (including directors' remuneration)		
Salaries, allowances and benefits in kind	**15,890**	16,190
Contribution to defined contribution schemes	**686**	705
	16,576	16,895
Other items		
Amortisation (included in administrative expenses):		
– Intangible assets	**13**	4
– Other assets	**1,024**	545
Auditor's remuneration	**900**	950
Bad debts written off	**984**	–
Cost of services rendered (including relevant employee benefit expenses and depreciation)	**1,838**	8,954
Cost of goods sold	**1,653,639**	1,621,976
Depreciation of property, plant and equipment	**4,268**	2,895
Exchange (gain) loss, net	**(1,634)**	3,026
Impairment loss (included in other operating expenses):		
– Goodwill	**–**	4,000
– Intangible assets	**14,775**	–
– Property, plant and equipment	**3,934**	–
Loss on disposal of available-for-sale financial assets	**–**	70
Loss on disposal of property, plant and equipment and other assets	**1,751**	–
Operating lease payments for premises	**9,840**	5,556
Provision for prepayment	**24,999**	–
Research and development costs	**–**	1,798
Sponsorship fee on naming right over a football team	**23,055**	2,073
Write-down of inventories	**64,651**	–
Write-off of prepayment	**2,508**	–
Write-off of property, plant and equipment	**–**	409

7. INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% on the Group's estimated assessable profits arising from Hong Kong during the Year. Hong Kong profits tax had not been provided as the Group incurred a loss for taxation purposes for the year ended 31 March 2015.

	2016	2015
	HK$'000	*HK$'000*
Continuing operations		
Current tax		
Hong Kong Profits Tax, current year	**1,622**	–
Discontinued operations	**–**	–
Total income tax expenses from continuing and discontinued operations	**1,622**	–

Reconciliation of effective tax rate from continuing operations

	2016	2015
	%	*%*
Applicable tax rate	**(21.1)**	(16.6)
Share of results of associates	**0.7**	0.4
Non-deductible expenses	**8.3**	14.8
Non-taxable revenue	**–**	(1.0)
Unrecognised tax losses	**5.4**	3.5
Unrecognised temporary differences	**7.5**	0.2
Utilisation of previously unrecognised tax losses	**–**	(0.4)
Others	**–**	(0.9)
Effective tax rate for the year	**0.8**	–

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

8. DIVIDENDS

The Directors do not recommend the payment of a dividend for the Year (2015: Nil).

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 Year as follows:

	2016	2015
	HK$'000	*HK$'000*
Loss attributable to equity holders of the Company from continuing and discontinued operations	**(205,532)**	(59,185)
Loss attributable to equity holders of the Company from continuing operations	**(201,702)**	(59,849)

	Number of shares	
	2016	2015
Weighted average number of ordinary shares in issue during the year	**1,514,686,669**	583,046,276

The Company had no dilutive potential ordinary shares for the years ended 31 March 2016 and 2015. Accordingly, the diluted loss per share is the same as basic loss per share.

10. DISCONTINUED OPERATIONS

On 27 July 2015, Power Chance Holdings Limited, an indirect wholly owned subsidiary of the Company, entered into and completed a sale and purchase agreement with an independent third party, pursuant to which Power Chance Holdings Limited sold the entire equity interest and assigned the outstanding shareholders' loan of Boomtech Limited (''Boomtech'') at a consideration of HK$400,000 (the "Boomtech Disposal"). Upon completion of the Boomtech Disposal, the Group no longer has any equity interest in Boomtech. As all the relevant percentage ratios (as defined in the GEM Listing Rules) in respect of the Boomtech Disposal fall below 5%, such disposal does not constitute a notifiable transaction of the Company and hence is not subject to any disclosure requirements under Chapters 19 and 20 of the GEM Listing Rules.

Boomtech and its subsidiaries (together as the "Boomtech Group") are principally engaged in the provision of integrated solutions for lightning electromagnetic pulse protection and its related engineering design, construction and technical services.

10. DISCONTINUED OPERATIONS (CONTINUED)

Management considers that following the Boomtech 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 reflect the results of the continuing operations and discontinued operations. The results and cash flows of Boomtech for the period from 1 April 2015 to 27 July 2015 included in the consolidated statement of comprehensive income for the Year are as follows:

(i) Loss for the year from discontinued operations contributed by Boomtech

	2016	2015
	HK$'000	*HK$'000*
Revenue	**760**	7,203
Cost of services rendered	**(326)**	(7,248)
	434	(45)
Other revenue	**–**	3
Other income	**–**	1,379
Selling and distribution costs	**(89)**	(1,124)
Administrative expenses	**(1,058)**	(2,559)
Loss before taxation	**(713)**	(2,346)
Income tax expenses	**–**	–
Loss after taxation	**(713)**	(2,346)
Loss on disposal of subsidiaries	**(3,451)**	–
Net loss attributable to discontinued operations	**(4,164)**	(2,346)

Remarks:

Net loss attributed to discontinued operations for the year ended 31 March 2015 as presented in the consolidated statement of comprehensive income also included net profit attributable to discontinued operations of HK$920,000 from the disposal of Beaming Investments Limited.

10. DISCONTINUED OPERATIONS (CONTINUED)

(ii) Net cash inflows (outflows) attributable to discontinued operations contributed by Boomtech

	2016	2015
	HK$'000	*HK$'000*
Net cash flows		
Operating activities	**978**	(910)
Investing activities	**–**	3
Total net cash inflows (outflows)	**978**	(907)

11. TRADE AND OTHER RECEIVABLES

		2016	2015
	Note	***HK$'000***	*HK$'000*
Trade receivables from third parties		**380,004**	458,033
Allowance for bad and doubtful debts	*(ii)*	**(79,385)**	(78,405)
	(i)	**300,619**	379,628
Other receivables			
Prepayments		**2,661**	17,084
Advance payment to suppliers	*(iii)*	**–**	87,302
Deposits		**2,629**	2,747
Other receivables		**223**	2,590
Other tax recoverable		**7,520**	–
Due from associates	*(iv)*	**285**	283
		13,318	110,006
		313,937	489,634

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

(i) Aging of trade receivables

Except for 360 days being granted to certain customers under supply chain management business, the Group grants credit term ranging from 30 days to 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:

	2016	2015
	HK$'000	*HK$'000*
Less than 90 days	**–**	242,652
91 – 180 days	**35,657**	132,087
181 – 270 days	**261,999**	835
271 – 365 days	**1,010**	–
Over 1 year	**1,953**	4,054
	300,619	379,628

(ii) Allowance for bad and doubtful debts

	2016	2015
	HK$'000	*HK$'000*
At beginning of reporting period	**78,405**	85,065
Disposal of subsidiaries	**–**	(3,598)
Exchange realignment	**980**	(3,062)
At end of reporting period	**79,385**	78,405

Included in the Group's trade receivables balance are debtors with carrying amounts of HK$300,619,000 (2015: HK$24,577,000), which were past due at the end of the reporting period but not impaired as there has not been a significant change in credit quality and the directors believe that the amounts are fully recoverable.

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

(ii) Allowance for bad and doubtful debts (Continued)

	2016	2015
	HK$'000	*HK$'000*
Current	**–**	355,051
Less than 90 days past due	**–**	19,053
91 – 180 days past due	**52,257**	2,934
181 – 270 days past due	**245,399**	–
271 – 365 days past due	**1,161**	61
Over 1 year past due	**1,802**	2,529
	300,619	24,577
	300,619	379,628

Receivables that were neither past due nor impaired as at 31 March 2015 relate to debtors for whom there was no history of default.

(iii) Advance payment to suppliers

The amounts represented payments made in advance to suppliers for purchase of goods.

(iv) Due from associates

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

12. TRADE AND OTHER PAYABLES

		2016	2015
	Note	***HK$'000***	*HK$'000*
Trade payables	*(i)*	**18**	314,375
Accruals		**2,807**	5,633
Other tax payables		**2,061**	2,294
Other payables		**8,374**	12,220
Due to directors	*(ii)*	**2,120**	2,872
		15,380	337,394

12. TRADE AND OTHER PAYABLES (CONTINUED)

(i) Aging of trade payables

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

	2016	2015
	HK$'000	*HK$'000*
Less than 90 days	**18**	229,961
91 – 180 days	**–**	84,414
	18	314,375

(ii) Due to directors

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

13. EVENTS AFTER THE REPORTING PERIOD

(i) On 23 May 2016, Glory Wheel Trading Limited ("Glory Wheel"), a wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding ("MOU") with an independent third party in relation to the acquisition of 100% equity interest in Cheer Smart Incorporation Limited ("Cheer Smart"), a company incorporated in Hong Kong, for a total cash consideration of approximately HK$24,000,000.

Cheer Smart is principally engaged in investment holding and has 50% interest in a joint arrangement that is structured as limited company established in the PRC, Shenzhen Oriental Electronic Commerce Supply Chain Management Company Limited ("Shenzhen Oriental"), which intends to engage in the supply chain management and operation of e-commerce in the PRC.

Shenzhen Oriental is in the process of a corporate reorganisation. Upon completion of the reorganisation, Cheer Smart will hold 60% equity interest in Shenzhen Oriental, which will then become a subsidiary of Cheer Smart.

On 30 May 2016, a supplemental MOU was signed and a refundable deposit of HK$5,000,000 was paid up to the date of this announcement. A legally binding formal agreement in relation to the acquisition is yet to be finalised as at the date of this announcement and therefore, it is not practicable to reliably estimate the financial effect for the acquisition.

(ii) On 3 June 2016, Glory Wheel entered into a sale and purchase agreement with two vendors (the "Vendors"), both are independent third parties, in relation to the acquisition of 100% equity interest in Global United Investment Consultants Limited ("Global United"), a company incorporated in Hong Kong, for a total cash consideration of HK$500,000.

Global United is principally engaged in money lending and holds a money lenders licence granted under the Money Lenders Ordinance (Cap. 163) of the Laws of Hong Kong.

On 3 June 2016, a cash consideration of HK$500,000 was paid to the Vendors and the transaction was completed on 6 June 2016. As the initial accounting of the acquisition of Global United is incomplete, it is not practicable to reliably estimate the financial effect of the acquisition.

Save as above disclosures, the Group had no material event subsequent to the end of reporting period and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS OPERATIONAL REVIEW

OPERATION REVIEW

Supply chain management and related services

The supply chain management service remains 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 SMEs in various industries to minimise 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) collaborated with SAP (Beijing) Software System Company Limited for designing and building up an effective big data platform. The platform would support point to point operation process, real time planning, execution, reporting and analysis function. It was expected that the new system under our development embodied the main idea of supply chain management – centralised purchase, production, sales, settlement and financial management. The development of the system of big data platform was suspended during the year and full impairment loss on software development and maintenance cost was made.

Non-core business

The lightning electromagnetic pulse protection business and energy management business shrunk substantially during the Year as the Group's major customer already completed their projects and the revenue from the maintenance services provided was substantially lower than the revenue from the construction of these devices. In July 2015, the Group disposed its interest in Boomtech Limited which operated the lightning electromagnetic pulse protection business in the PRC through certain structural arrangements.

FINANCIAL REVIEW

Results

The Group only recorded an increase in turnover of approximately 2% to approximately HK$1,665.0 million for the Year as compared to approximately HK$1,632.9 million in the previous year. There was a slow down in turnover after completion of the various contracts, thus, there was just a slight increase in turnover. 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 decreases in the service fee income from lightning electromagnetic pulse protection business and energy management business for the Year as compared for the year ended 31 March 2015. The Group disposed the lighting electromagnetic pulse protection business during the Year.

The Group recorded an increase in gross profit from approximately HK$9.2 million in the previous year to approximately HK$9.9 million in the Year. However the gross profit margin maintained at 0.6% for both years because of 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.

Net loss attributable to equity holders of the Company for the Year amounted to approximately HK$205.5 million (2015: HK$59.2 million). The major component of the Group's expenses for the Year being impairment loss of intangible assets arising from the suspension of the development of big data platform, write down of inventories due to substantial decrease in current market price compared with cost of inventories, provision for long outstanding prepayment for timber being purchased, but undelivered and the sponsoring fee on naming right over a football team and consulting fee paid for introduction of customers and suppliers of supply chain management business with an aggregate amount of approximately HK$134.2 million.

Liquidity, financial resources and capital structure

As at 31 March 2016, the Group had total assets of approximately HK$344.8 million (2015: HK$819.9 million), including net cash and bank balances of approximately HK$7.4 million (2015: HK$281.2 million).

For the Year, the Group financed its operations mainly with its own working capital and issue of placing shares. There were no general banking facilities as at 31 March 2016 (2015: Nil).

As at 31 March 2016, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was zero (2015: Zero). The Group had no bank borrowings as at 31 March 2016 (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"). On 28 August 2015, 88,363,469 Placing Shares A were allotted and issued by the Company pursuant to the Share Placing Agreement.

   The net proceeds arising from the Share Placing A amounted to approximately HK$14.85 million, net of expenses, which were 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 at HK$0.15 per placing share (the "Share Placing B"). On 25 September 2015, 265,000,000 Placing Shares B were allotted and issued by the Company pursuant to the Placing Agreement.

   The net proceeds arising from the Share Placing B amounted to approximately HK$38.59 million, net of expenses, which were 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 Share 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"), United States Dollar ("USD") and Renminbi ("RMB"). As such, the Group is aware of the potential foreign currency risk that may arise from the fluctuation of exchange rates between HKD, USD and RMB. The Group adopts a conservative treasury policy with most of the bank deposits being kept in HKD, or in the local currencies of the operating subsidiaries to minimise exposure to foreign exchange risks. As at 31 March 2016, the Group had no foreign exchange contracts, interests or currency swaps or other financial derivatives for hedging purposes.

Charge on Group assets

As at 31 March 2016, the Group did not have any charge on its assets (2015: Nil).

Segment information

An analysis of the Group's performance for the Year by a mixture of business lines and geographical locations is set out in note 4 to this announcement above.

Outlook

Noting that the supply chain management business is not having a stable growth during the Year, the Company will pay close attention to its performance and future development. At the same time, the management will continuously monitor and review the overall operation and financial performance of the Group's businesses so as to cope with the ever-changing business environment. The management will keep proactively seeking for other investment and business opportunities with promising prospect to broaden the source of income of the Group and enhance value to the shareholders of the Company.

Significant investments

The Group did not have any significant investment during the Year.

Material acquisitions or disposals of subsidiaries and affiliated companies

At 27 July 2015, the Group disposed of its 100% equity interests in Boomtech.

Other than the above, the Group did not have any material acquisitions or disposals of subsidiaries during the Year.

Share Option Scheme

The Company adopted a share option scheme on 18 October 2011 (the "Share Option Scheme") for the purpose of providing incentives or rewards to the eligible participants for their contribution to the Group and/or enabling the Group to recruit additional employees and retain existing employees and to provide them with a direct economic interest in attaining the long term business objectives of the Group.

Eligible participants of the Share Option Scheme include the employees, consultants, suppliers or customers of the Company and its subsidiaries, including any independent non-executive directors of the Company.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption.

Future plans for material investments and expected source of funding

Other than disclosed elsewhere in the announcement, the Group did not have any plan for material investment or acquisition of material capital assets as at 31 March 2016. However, the Group is constantly looking for opportunities for investments or capital assets to enhance the shareholders' value.

Contingent liabilities

The Group had no contingent liabilities as at 31 March 2016.

Employees and remuneration policies

As at 31 March 2016, the Group had 43 (2015: 86) employees including directors. Total staff costs (excluding directors' emoluments) amounted to approximately HK$12.4 million for the Year (2015: HK$12.3 million). Remuneration is determined by reference to market terms and the performance, qualifications and experience of the 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.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") and Corporate Governance Report contained 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 Year, save and except for the following:

1. Code provision A.4.1 of the CG Code stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. All Directors (including executive Directors and independent non-executive Directors (''INED''), are not appointed for a specific term but they are all subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company.

2. Code provision A.6.7 of the CG Code provides that INEDs and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Wu Zhinan and Mr. Liu Weiliang were not able to attend the annual general meeting of the Company held on 6 August 2015 (the "2015 AGM") due to other business engagement. Other Board members who attended the 2015 AGM were already of sufficient calibre and number for answering questions raised by the Shareholders at the 2015 AGM.

3. Code provision of E.1.2 of the CG Code stipulates that the chairman of the board should attend to answer questions at the 2015 AGM. However, the chairman of the Board was vacant at the 2015 AGM after Mr. Yu Weiye resigned the chairman on 7 July 2015. Mr. Li Zhike acted as chairman of the 2015 AGM to ensure an effective communication with the shareholders of the Company.

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made a specific enquiry with all the Directors, 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 Year.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Except for placing of new shares as disclosed above, the Company did not redeem any of its shares listed on the GEM, nor did the Company or any of its subsidiaries purchase or sell any such shares during the Year.

DIVIDENDS

The Board did not recommend the payment of any dividend during the Year (2015: Nil).

AUDIT COMMITTEE

The Company set up an audit committee (the "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. As from 7 August 2015, the Audit Committee comprised the three INEDs, namely Mr. Chui Man Lung, Everett as the chairman of the Audit Committee, Mr. Liu Weiliang and Ms. Li Mei. During the year, the Audit Committee held four meetings to review and supervise the financial reporting process; and to provide advice and recommendations to the Board.

The financial statements of the Group for the Year have been reviewed by the Audit Committee, which is of the opinion that such statements comply with the applicable accounting standards, as well as the Stock Exchange's and legal requirements, and that adequate disclosures have been made.

CHANGES IN DIRECTOR'S INFORMATION

The changes in Directors' information since the disclosure made in the 2015 Interim report are set out below:

Name of Director		Details of changes
Mr. Johnny Huang	–	Resigned as an executive Director, chairman of the Board, compliance officer and authorised representative on 4 May 2016
Mr. Chen Jiang	–	Appointed as the compliance officer and the chairman of the Board, and an authorised representative of the Company on 4 May 2016

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of Company's consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Company's auditor, Mazars CPA Limited ("Mazars"), to the amounts set out in the Company's draft consolidated financial statements for the Year. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the Stock Exchange's website (http://www.hkex.news.hk) and the Company's website (http://www.skyforever.hk). The annual report of the Company for the Year will be dispatched to the shareholders of the Company and will be available on the respective websites of the Stock Exchange and the Company in due course.

By order of the board of
Sky Forever Supply Chain Management Group Limited
Chen Jiang
Chairman & Executive Director

Hong Kong, 27 June 2016

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

This announcement, for which the directors of Sky Forever Supply Chain Management Group Limited for the financial year ended 31 March 2016 (the "Directors" and the "Company", respectively) 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.

This announcement will remain on the "Latest Company Announcement" page of the GEM website at http://www.hkgem.com for seven days after the date of publication and on the website of the Company at http://www.skyforever.hk.