



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)

(Formerly known as “Rising Power Group Holdings Limited 昇力集團控股有限公司”)
(Incorporated in Bermuda with limited liability)
(Stock Code : 8047)

2014-2015
Interim Report



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

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

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

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This report, for which the directors (the “directors”) 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 GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.



HIGHLIGHTS

For the six months ended 30 September 2014

- the turnover from continuing operations of the Group was approximately HK\$8,511,000 as compared to the turnover of approximately HK\$9,676,000 recorded in the corresponding period last year.
- the loss of the Group was approximately HK\$18,521,000 (2013: loss of approximately HK\$16,084,000).
- the loss attributable to equity holders of the Company was approximately HK\$17,569,000 (2013: loss of approximately HK\$13,508,000).
- the directors do not recommend the payment of an interim dividend (2013: Nil).
- the loss per share of the Company was approximately HK3.98 cents (2013: loss per share of approximately HK3.62 cents).

FINANCIAL RESULTS

The board of directors (the "Board") of the Company announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the three months and six months ended 30 September 2014 together with the comparative unaudited figures for the corresponding periods in 2013 respectively as follows:

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the three months and six months ended 30 September 2014

	Notes	For the six months ended 30 September 2014		For the three months ended 30 September 2014	
		(Unaudited) HK\$'000	(Unaudited) 2013 HK\$'000	(Unaudited) 2014 HK\$'000	(Unaudited) 2013 HK\$'000
Continuing operations					
Turnover	3	8,511	9,676	4,852	1,027
Cost of services rendered and cost of goods sold		(5,645)	(8,841)	(2,655)	(1,181)
Gross profit/(loss)		2,866	835	2,197	(154)
Other revenue	3	390	217	1	164
Other income	4	886	82	886	82
Selling and distribution costs		(367)	(841)	(125)	(544)
Administrative expenses		(19,849)	(14,297)	(12,094)	(9,654)
Share of results of associates		(2,561)	(357)	(2,308)	467
Loss before taxation	6	(18,635)	(14,361)	(11,443)	(9,639)
Income tax expense	7	-	-	-	-
Loss for the period from continuing operations		(18,635)	(14,361)	(11,443)	(9,639)
Discontinued operations	8				
Profit/(Loss) for the period from discontinued operations		114	(1,723)	763	(883)
Loss for the period		(18,521)	(16,084)	(10,680)	(10,522)



Condensed Consolidated Statement of Comprehensive Income (Unaudited) *(Continued)*

For the three months and six months ended 30 September 2014

	For the six months ended 30 September 2014 (Unaudited) HK\$'000		For the three months ended 30 September 2014 (Unaudited) HK\$'000	
Notes	2013 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Other comprehensive (loss) income for the periods, net of tax				
Exchange differences on consolidation		162	-	(1)
		<u>(95)</u>	<u>-</u>	<u>(1)</u>
Total comprehensive loss for the period		<u>(18,616)</u>	<u>(10,680)</u>	<u>(10,523)</u>
Loss for the period attributable to:				
Equity holders of the Company		(13,508)	(10,247)	(9,248)
Non-controlling interests		(2,576)	(433)	(1,274)
		<u>(18,521)</u>	<u>(10,680)</u>	<u>(10,522)</u>

Condensed Consolidated Statement of Comprehensive Income (Unaudited) (Continued)

For the three months and six months ended 30 September 2014

	For the six months ended 30 September		For the three months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
<i>Notes</i>				
Total comprehensive loss attributable to:				
Equity holders of the Company	(17,616)	(13,346)	(10,247)	(9,248)
Non-controlling interests	(1,000)	(2,576)	(433)	(1,275)
	(18,616)	(15,922)	(10,680)	(10,523)
Loss per share	9			
From continuing and discontinued operations				
– Basic	HK(3.98) cents	HK(3.62) cents	HK(2.32) cents	HK(2.41) cents
– Diluted	HK(3.98) cents	HK(3.62) cents	HK(2.32) cents	HK(2.41) cents
From continuing operations				
– Basic	HK(3.99) cents	HK(3.38) cents	HK(2.41) cents	HK(2.29) cents
– Diluted	HK(3.99) cents	HK(3.38) cents	HK(2.41) cents	HK(2.29) cents



Condensed Consolidated Statement of Financial Position

At 30 September 2014

		As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment	11	15,649	1,209
Available-for-sale financial assets	12	–	12,450
Interests in associates		8,378	10,939
Other assets		8,035	–
Goodwill	13	9,573	10,808
		<hr/> 41,635	35,406
Current assets			
Available-for-sale financial assets	12	–	2,564
Trade and other receivables	14	33,582	57,263
Other assets		782	–
Bank balances and cash		76,859	86,675
		<hr/> 111,223	146,502
Current liabilities			
Trade and other payable	15	14,937	23,907
Tax payable		2,170	2,249
		<hr/> 17,107	26,156
Net current assets		<hr/> 94,116	120,346
Total assets less current liabilities		<hr/> 135,751	155,752

Condensed Consolidated Statement of Financial Position (Continued)

At 30 September 2014

		As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
	Notes		
Non-current liabilities			
Loan from a director		2,532	2,564
		2,532	2,564
NET ASSETS			
		133,219	153,188
Capital and reserves			
Share capital	16	4,418	4,418
Reserves		129,842	147,594
Equity attributable to equity holders of the Company		134,260	152,012
Non-controlling interests		(1,041)	1,176
TOTAL EQUITY		133,219	153,188

Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30 September 2014

	Attributable to equity holders of the Company										
	Reserves							Total reserve	Sub-total	Non-controlling interests	Total
	Issued Share capital	Share premium	Contributed surplus	Exchange reserve	Warrant reserve	Statutory reserve	Accumulated losses				
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
At 1 April 2013	33,387	55,357	485,118	8,428	240	2,438	(441,394)	110,187	143,574	4,272	147,846
Loss for the period	-	-	-	-	-	-	(13,508)	(13,508)	(13,508)	(2,576)	(16,084)
Other comprehensive income											
Item that may be reclassified subsequently to profit or loss											
- Exchange difference on consolidation	-	-	-	162	-	-	-	162	162	-	162
Total comprehensive income (loss) for the period	-	-	-	162	-	-	(13,508)	(13,346)	(13,346)	(2,576)	(15,922)
Transaction with equity holders											
Contributions and distributions											
Issue of shares upon placing	4,223	79,641	-	-	-	-	-	79,641	83,864	-	83,864
Capital reduction and share consolidation	(33,192)	(76,396)	109,588	-	-	-	-	33,192	-	-	-
	(28,969)	3,245	109,588	-	-	-	-	112,833	83,864	-	83,864
At 30 September 2013	4,418	58,602	594,706	8,590	240	2,438	(454,902)	209,674	214,092	1,696	215,788
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



Condensed Consolidated Statement of Cash Flow (Unaudited)

For the six months ended 30 September 2014

Continuing and discontinued operations

	For the six months ended 30 September 2014 (Unaudited) HK\$'000	For the six months ended 30 September 2013 (Unaudited) HK\$'000
NET CASH USED IN OPERATING ACTIVITIES	<u>(30,479)</u>	<u>(13,119)</u>
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(15,479)	(66)
Disposal of subsidiaries	2,891	–
Disposal of available-for-sale financial assets	14,944	–
Refund of deposit paid for acquisition of subsidiaries	17,940	–
Deposit paid for acquisition of subsidiaries	–	(35,500)
Interest received	<u>390</u>	<u>299</u>
NET CASH FROM (USED IN) INVESTING ACTIVITIES	<u>20,686</u>	<u>(35,267)</u>
FINANCING ACTIVITIES		
Repayment of promissory note	–	(5,276)
Proceeds from issue of shares	<u>–</u>	<u>83,864</u>
NET CASH FROM FINANCING ACTIVITIES	<u>–</u>	<u>78,588</u>



Condensed Consolidated Statement of Cash Flow (Unaudited) (Continued)

For the six months ended 30 September 2014

Continuing and discontinued operations

	For the six months ended 30 September 2014 (Unaudited) HK\$'000	For the six months ended 30 September 2013 (Unaudited) HK\$'000
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(9,793)	30,202
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	86,675	79,985
	76,882	110,187
Effect of foreign exchange rate changes, net	(23)	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD	76,859	110,187
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	76,859	110,187



Notes:

1. CORPORATE INFORMATION

Sky Forever Supply Chain Management Group Limited (formerly known as Rising Power Group Holdings Limited) (the “Company”) is a limited liability company incorporated in Bermuda on 7 June 2001 as an exempted company with limited liability under the Bermuda Companies Act of 1981. The Company’s shares are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is located at Room 601, 6/F, China Building, No.29 Queen’s Road Central, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries are supply chain management, trading of wooden products, provision of integrated solutions for lightning electromagnetic pulse protection business and provision of energy management business.

2. STATEMENT OF COMPLIANCE

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2014 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 with applicable disclosure provisions of the Rules Governing The Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. The accounts 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 2014. They have been prepared on the historical cost basis, except for available-for-sale financial assets, which are measured at fair value.

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 2014. 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.

Notes:

3. TURNOVER AND OTHER REVENUE

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

	For the six months ended 30 September		For the three months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Continuing operation				
Rendering of services	7,809	9,676	4,150	1,027
Sales of goods	702	–	702	–
	8,511	9,676	4,852	1,027
Discontinued operation				
Rendering of services	2,066	488	2,025	442
Turnover	10,577	10,164	6,877	1,469
Continuing operation				
Interest income from available-for-sale financial assets	223	–	–	–
Interest income	167	217	1	164
Other revenue	390	217	1	164
Total turnover and other revenue	10,967	10,381	6,878	1,633

4. OTHER INCOME

	For the six months ended 30 September		For the three months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Reversal of allowance for bad and doubtful debts	80	152	80	–
Sundry income	–	82	–	82
Gain on disposal of subsidiaries	806	–	806	–
	886	234	886	82
Representing:				
Continuing operation	886	82	886	82
Discontinued operation	–	152	–	–
	886	234	886	82



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 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;
- Lightning electromagnetic pulse segment which provides integrated solutions for lightning electromagnetic pulse protection and its related engineering design, construction and technical services; and
- Energy management segment which provides energy and other resources management and conservation system and integrated solutions.

(a) Segment results, assets and liabilities

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

Segment assets include all allocated assets with the exception of available-for-sale financial assets, 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.

Notes:

(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

	Supply chain management services business		Energy management business		Lightning electromagnetic pulse business		Consolidated	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Segment revenue								
Sale/Services to external customers	702	-	3,006	9,676	4,803	-	8,511	9,676
Segment results	(6)	-	(203)	(251)	179	(3,749)	(30)	(4,000)
Unallocated income							1,276	298
Unallocated expenses							(17,320)	(10,302)
Share of results of associates							(2,561)	(357)
Loss before taxation							(18,635)	(14,361)
Income tax expense							-	-
Loss for the period from continuing operations							(18,635)	(14,361)

	Supply chain management services business		Energy management business		Lightning electromagnetic pulse business		Consolidated	
	30 September 2014	31 March 2014	30 September 2014	31 March 2014	30 September 2014	31 March 2014	30 September 2014	31 March 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
Assets and liabilities								
Segment assets	67,697	-	9,870	8,244	18,217	17,600	95,784	25,844
Assets relating to discontinued operations							-	13,186
Unallocated assets including interests in associates							57,074	142,878
Consolidated total assets							152,858	181,908
Segment liabilities	596	-	3,866	7,090	5,700	6,482	10,162	13,572
Liabilities relating to discontinued operations							-	9,553
Unallocated liabilities							9,477	5,595
Consolidated total liabilities							19,639	28,720

Notes:

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	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Gain on disposal of subsidiaries	(806)	–	(806)	–
Loss on disposal of available-for-sale financial assets	70	–	–	–
Depreciation of property, plant and equipment	802	100	707	48

7. INCOME TAX EXPENSE

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



8. DISCONTINUED OPERATIONS

On 18 July 2014, Upper Power Limited, a direct wholly owned subsidiary of the Company, entered into a subscription agreement with an independent third party (the “Investor”) pursuant to which Upper Power Limited sold the entire equity interest of Beaming Investments Limited and its subsidiaries (collectively known as “Beaming Investments BVI”) at a consideration of HK\$3 million (the “Disposal”). Upon completion of the Disposal on 1 August 2014, the Group no longer has any equity interest in Beaming Investments Limited.

Management considers that following the Disposal, the Group’s control over Beaming Investments BVI 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 2014 and 2013 have been analysed as follows:

Notes:

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

	For the six months ended 30 September 2014 (Unaudited) HK\$'000	For the six months ended 30 September 2013 (Unaudited) HK\$'000	For the three months ended 30 September 2014 (Unaudited) HK\$'000	For the three months ended 30 September 2013 (Unaudited) HK\$'000
Turnover	2,066	488	2,025	442
Cost of services rendered and cost of goods sold	(47)	(315)	-	(159)
	2,019	173	2,025	283
Other income	-	152	-	-
Selling and distribution costs	(1,179)	(355)	(1,073)	(158)
Administrative expenses	(726)	(1,693)	(189)	(1,008)
Profit/(Loss) before taxation	114	(1,723)	763	(883)
Income tax expenses	-	-	-	-
Profit/(Loss) for the period from discontinued operations	114	(1,723)	763	(883)
Profit/(Loss) from discontinued operations attributable to:				
– Equity holders of the Company	61	(881)	389	(453)
– Non-controlling interests	53	(842)	374	(430)
	114	(1,723)	763	(883)

(b) The net cash outflows attributable to discontinued operations

	For the six months ended 30 September 2014 (Unaudited) HK\$'000	For the six months ended 30 September 2013 (Unaudited) HK\$'000
Net cash flows		
Operating activities	(114)	20
Investing activities	(12)	(67)
Financing activities	–	–
Total net cash outflows	(126)	(47)

Notes:

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		For the three months ended 30 September	
	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000	2013 (Unaudited) HK\$'000
Loss attributable to equity holders of the Company from continuing and discontinued operations	(17,569)	(13,508)	(10,247)	(9,248)
Loss attributable to equity holders of the Company from continuing operations	(17,630)	(12,627)	(10,636)	(8,795)
Weighted average number of ordinary shares in issue during the period	441,817,348	373,089,654	441,817,348	383,393,435

The Company did not have any dilutive potential ordinary shares for the six months and three months ended 30 September 2014. For the periods ended 30 September 2013, dilutive loss per share is the same as basic loss per share as the potential ordinary shares issuable under the unlisted warrants have anti-dilutive effects on the basic loss per share.

10. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30 September 2014 (2013: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2014, the Group acquired property, plant and equipment of approximately HK\$15,479,000.

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Unlisted debt securities, at fair value		
Non-current	–	12,450
Current	–	2,564
	<hr/>	<hr/>
	–	15,014
	<hr/>	<hr/>

The fair value of the unlisted debt securities is determined based on quotes from market makers supported by observable inputs. The most significant input is market interest rates.

The Group disposed all available-for-sale financial assets during the period ended 30 September 2014.

13. GOODWILL

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
At cost less accumulated impairment losses		
At beginning of the reporting period	10,808	42,308
Disposals	(1,235)	–
Impairment loss	–	(31,500)
	<hr/>	<hr/>
At end of the reporting period	9,573	10,808
	<hr/>	<hr/>

Notes:

14. TRADE AND OTHER RECEIVABLES

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Trade receivables from third parties	91,394	103,352
Allowance for bad and doubtful debts	(80,390)	(85,065)
	11,004	18,287
Other receivables		
Prepayments	5,432	4,247
Deposits	15,341	32,596
Other receivables	1,523	1,855
Due from associates	282	278
	22,578	38,976
	33,582	57,263

(i) Aging of trade receivables

The Group normally grants credit term of 90 days to its customers upon the delivery of products or when the services are rendered and issuance of invoice. The aging of trade receivables (net of allowances of bad and doubtful debts) based on invoice date is as follows:

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
1 – 90 days	5,824	13,830
91 – 180 days	1,273	190
181 – 270 days	1,195	754
271 – 365 days	173	1,772
Over 1 year	2,539	1,741
	11,004	18,287

(ii) Due from associates

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

Notes:

15. TRADE AND OTHER PAYABLES

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
Trade payables	1,146	5,047
Other payables	13,791	18,860
	14,937	23,907

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

	As at 30 September 2014 (Unaudited) HK\$'000	As at 31 March 2014 (Audited) HK\$'000
1 to 90 days	450	634
91 to 180 days	15	890
over 180 days	681	3,523
	1,146	5,047

16.SHARE CAPITAL

	Number of shares		Nominal value	
	30 September 2014 (Unaudited)	31 March 2014 (Audited)	30 September 2014 (Unaudited) HK\$'000	31 March 2014 (Audited) 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	441,817,348	3,338,693,484	4,418	33,387
Shares issued upon placing in April 2013	-	349,480,000	-	3,495
Capital reduction and share consolidation	-	(3,319,356,136)	-	(33,194)
Shares issued upon placing in September 2013	-	32,000,000	-	320
Shares issued upon top up placing	-	41,000,000	-	410
At the end of the period/year				
Ordinary shares of HK\$0.01 each	441,817,348	441,817,348	4,418	4,418

Notes:

17. CAPITAL COMMITMENTS

	30 September 2014 (Unaudited) HK\$'000	31 March 2014 (Audited) HK\$'000
Contracted but not provided for purchase of software	12,241	–

In addition, at 30 September 2014, pursuant to various joint venture agreements entered on 19 September 2014, the Group had committed to inject capital totalling RMB45.9 million (approximately HK\$58.5 million) for the formation of various joint venture companies (31 March 2014: NIL).

18. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in these financial statements on a recurring basis at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 13, Fair Value Measurement, with the fair value measurement categorised in its entirety based on the lowest level of input that is significant to the entire measurement.

The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

Assets and liabilities measured at fair value

	Level 1 (Audited) HK\$'000	Level 2 (Audited) HK\$'000	Level 3 (Audited) HK\$'000
31 March 2014			
Recurring fair value measurement			
Financial assets measured at fair value			
Available-for-sale financial assets			
Unlisted debt securities (note 12)	–	15,014	–

During the six months ended 30 September 2014, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (31 March 2014: nil). The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The fair value of available-for-sale financial asset in Level 2 is determined by quotes from market makers, taking into account of market interest rates.



MANAGEMENT DISCUSSION AND ANALYSIS

Operational review

The electromagnetic pulse protection business contributed to approximately 56% of the total turnover of the Group for the six months ended 30 September 2014. During the period, the contractual works in Hubei (湖北), Guizhou (貴州) and Tianjin (天津) have completed and generated approximately HK\$4.7 million revenue to the Group. Contractual works will commence for telecommunication operators in Liaoning (遼寧) and are expected to be completed in the coming quarters.

In respect of energy conservation (saving) and emission reduction (“Energy Emission Reduction”), the Group recorded turnover of approximately HK\$3.0 million during the period. Certain projects in Liaoning (遼寧) and Anhui (安徽) were still in progress. The Group will continue actively in strengthening the business through participating in the tender projects in the future.

Looking ahead, the Group will continue to devote more resources in the development of supply chain management businesses and to increase their total contribution to the Group’s turnover. During the period under review, the Group already entered into agreement with nine independent parties to set up joint venture companies in various locations within the PRC. The joint venture partners are well-established regional companies with established customer network and human resources in various industries in the PRC. The management has strong confidence that the formation of these joint venture companies will enable the Group to build a national supply chain management platform in the long run.

On 21 October 2014, the Group entered into a memorandum of strategic cooperation with SAP, a market leader in enterprise application software, in relation to Qianhai Subsidiary’s industry chain integration platform for a term of four years. Pursuant to the memorandum, the Group and SAP agreed to cooperate and utilise their own strengths and resources in development and promotion of various industry chain solutions for the supply chain business of the Group. The business solution of SAP ties in with the supply chain management demand of the Group. The management believes that the software and services provided by SAP can improve and enhance the supply chain platform being developed by the Group. And we can foresee the business are getting a further expansion with optimized resources.



Financial review

The Group recorded a decrease in turnover from continuing operations of approximately 12% to approximately HK\$8.5 million for the six months period ended 30 September 2014 as compared to approximately HK\$9.7 million for the corresponding period in 2013. The decrease in turnover was mainly derived from the Energy Emission Reduction business as certain projects were still in progress.

The Group recorded an increase in gross profit of approximately 243% to approximately HK\$2.9 million in the current period as compared to approximately HK\$0.8 million in the corresponding period in 2013. The increase in gross profit was mainly due to the majority of revenue was generated from the Energy Emission Reduction business which has a relatively higher gross margin ratio.

During the reporting period, administrative expenses incurred by the Group were approximately HK\$19.8 million (2013: HK\$14.3 million). The increase was mainly due to the increase in professional fee associated with the set up of supply chain management business and the proposed acquisition of 75% equity interest of Hong Kong Automobile Restoration Group Limited. Net loss attributable to equity holders of the Company for the six months period ended 30 September 2014 amounted to approximately HK\$17.6 million (2013: HK\$13.5 million).

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 2014, the Group had total assets of approximately HK\$152.9 million (31 March 2014: approximately HK\$181.9 million), including cash and bank balances of approximately HK\$76.9 million (31 March 2014: approximately HK\$86.7 million).



For the period ended 30 September 2014, 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 2014 (31 March 2014: Nil).

As at 30 September 2014, the gearing ratio (defined as the ratio between total bank borrowings and total assets) was zero (31 March 2014: Nil). The Group had no bank borrowings as at 30 September 2014 (31 March 2014: Nil).

Exposure to fluctuations in exchange rates and related hedges

Most of the transactions of the Group are denominated in Hong Kong Dollar ("HKD") and Renminbi ("RMB"). The Group adopts a conservative treasury policy with most of the bank deposits being kept in HKD, or in the local currencies of the operating subsidiaries to minimize exposure to foreign exchange risks. As at 30 September 2014, the Group had no foreign exchange contracts, interests or currency swaps or other financial derivatives for hedging purposes.

Material acquisitions and disposal of subsidiaries

At 1 August 2014, the Group disposed 100% equity interest in Beaming Investments Limited during the period.

Other than the above, the Group did not have any material acquisition of subsidiaries or disposal during the six months ended 30 September 2014.

Contingent liabilities

The Group had no contingent liability as at 30 September 2014 (31 March 2014: Nil).

Employees and remuneration policies

As at 30 September 2014, the Group had 54 (31 March 2014: 77) employees including directors. Total staff costs (excluding directors' emoluments) amounted to approximately HK\$5,010,000 for the six months ended 30 September 2014, as compared to approximately HK\$3,500,000 in the previous corresponding period. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong and basic insurance for the elderly, basic medical insurance, work injury insurance and unemployment insurance to its employees in the PRC.

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

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

(i) Interests in shares:

Name of director	Nature of interests	Number of the shares held	Approximate percentage of issued share capital
Wu Zhinan	Beneficial	1,700,000 (L)	0.38%

(L) denotes long position

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



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

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

Name	Nature of interests	Number of the shares held	Approximate percentage of issued share capital
Yan Chuyi (<i>Note 1</i>)	Beneficial	64,344,000 (L)	14.56%
	Deemed	6,416,000 (L)	1.45%
Zhou Zhaoshan (<i>Note 1</i>)	Beneficial	6,416,000 (L)	1.45%
	Deemed	64,344,000 (L)	14.56%

(L) denotes long position

Note 1: Mr. Yan Chuyi beneficially owned 64,344,000 Shares. Ms. Zhou Zhaoshan, being the spouse of Mr. Yan Chuyi, is deemed to be interested in 64,344,000 Shares held by Mr. Yan Chuyi.

Ms. Zhou Zhaoshan beneficially owned 6,416,000 Shares. Mr. Yan Chuyi by virtue of being the spouse of Ms. Zhou Zhaoshan, is deemed to be interested in 6,416,000 Shares held by Ms. Zhou Zhaoshan.



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

DIRECTORS' RIGHTS TO ACQUIRE SECURITIES

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

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") on 18 October 2011 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 under the Share Option Scheme since its adoption.



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

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

DIRECTORS' INTERESTS IN COMPETING INTERESTS

During the six months ended 30 September 2014, none of the directors or the management shareholders or substantial shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had any interests in a business which competes or may compete with the business of the Group.

PRE-EMPTIVE RIGHT

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

CODE OF CONDUCT REGARDING DIRECTOR'S SECURITIES TRANSACTIONS BY DIRECTORS

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



CORPORATE GOVERNANCE CODE

The Company has adopted the code provisions set out in the Code on Corporate Governance (the “Code”) as set out in Appendix 15 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Company has applied the principles in the Code and complied with the code provisions set out in the Code for the period ended 30 September 2014, save and except for the following:

1. A.1.3 of the Code stipulates of at least 14 days’ notice should be given to all directors for a regular Board Meeting. For all other Board meetings, reasonable notice should be given. Due to the practical reasons, 14 days’ advanced notifications have not been given to all meetings of the Board. Reasons have been given in the notifications in respect of those meetings of the Board where it is not practical to give 14 days’ advanced notification. The Board will use its best endeavours to give 14 days’ advanced notifications of Board meeting to the extent practicable;
2. A.6.7 of the code stipulates that independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings of the Company and develop a balanced understanding of the views of shareholders. Due to their other important engagement at the relevant time, some independent non-executive directors were unable to attend the general meetings of the Company;
3. A.4.1 of the Code stipulates that all non-executive director should be appointed for a specific term, subject to re-election. Currently, all non-executive directors are not appointed for a specific term. They are, however, subject to the retirement by rotation and re-election of directors in the Bye-laws of the Company. Since their appointment will be reviewed when they are due for re-election, the Board considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those set out in the Code; and
4. E.1.2 of the Code stipulates that the chairman of the board should attend to answer questions at the annual general meeting. Due to other important engagement, he was unable to attend the annual general meeting of the Company held on 6 August 2014.



DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 17.50A(1) OF THE GEM LISTING RULES

Name of Director	Details of changes
Mr. Gong Dongsheng	<ul style="list-style-type: none">– Appointed as the chairman of the nomination committee of the Company on 18 July 2014– The director's fee has been revised to HK\$100,000 per month with effect from 1 September 2014
Ms. Chen Nan	<ul style="list-style-type: none">– Re-designated from vice-chairman to the joint chief executive officer of the Company on 13 June 2014– Appointed as compliance officer of the Company on 22 July 2014– The director's fee has been revised to HK\$80,000 per month with effect from 1 August 2014
Mr. Wu Zhinan	<ul style="list-style-type: none">– Re-designated from chief executive officer to the joint chief executive officer of the Company on 13 June 2014
Mr. Woo Yik Man	<ul style="list-style-type: none">– The director's fee has been revised to HK\$60,000 per month with effect from 1 July 2014– Appointed as vice chief operation officer of the Company on 11 July 2014– Appointed as an authorised representative of the Company on 22 July 2014– Appointed as a non-executive director of PPS International (Holdings) Limited on 28 July 2014, a company whose shares are listed on the GEM of the Stock Exchange (stock code 8201)



NOMINATION COMMITTEE

A nomination committee was established in March 2012 with written terms of reference in compliance with the GEM Listing Rules. As at 30 September 2014, the nomination committee comprises three members, of which one executive director, namely Mr. Gong Dongsheng and two independent non-executive directors namely Mr. Huang Yunlong and Mr. Liu Weiliang. The chairman of the committee is Mr. Gong Dongsheng.

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

REMUNERATION COMMITTEE

An remuneration committee was established in January 2006 with written terms of reference in compliance with the Code provision. As at 30 September 2014, the remuneration committee consists of three members, all of them are independent non-executive directors, namely Mr. Liu Weiliang, Mr. Ma Yiu Ho, Peter, and Mr. Huang Yunlong. The chairman of the committee is Mr. Liu Weiliang.

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 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, 2014, the audit committee comprises the three independent non-executive directors of the Company, namely Mr. Ma Yiu Ho, Peter, Mr. Huang Yunlong and Mr. Liu Weiliang. The chairman of the committee is Mr. Ma Yiu Ho, Peter.

The unaudited financial statements of the Group for the period ended 30 September 2014 have been reviewed by the audit committee, who is of the opinion that such statements comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By order of the Board
Sky Forever Supply Chain Management Group Limited
Mr. Gong Dongsheng
Chairman and Executive Director

Hong Kong, 10 November 2014

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