SKY ONE HOLDINGS LIMITED

(Company Registration No : 198602949M)

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr Alex Tan, Chief Executive Officer, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.

Unaudited First Quarter Financial Statements and Dividend Announcement for the Financial Period Ended 30 June 2014

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the – corresponding period of immediately preceding year

INCOME STATEMENT

	Group		Ref	
	3 months 30-Jun-2014 HK$'000	3 months 30-Jun-2013 HK$'000		Increase/ (Decrease) %
Revenue	62,214	41,011	**8.1.1**	51.70
Cost of sales	(55,092)	(35,233)	**8.1.2**	56.36
Gross profit	7,122	5,778	**8.1.3**	23.26
Other income	83	230	**8.1.4**	(63.91)
Distribution and selling expenses	(1,727)	(2,037)	**8.1.5**	(15.22)
Administrative expenses	(5,891)	(6,020)	**8.1.6**	(2.14)
Finance costs	(421)	(304)	**8.1.7**	38.49
Loss before taxation	(834)	(2,353)		(64.56)
Income tax expense	(322)	-	**8.1.8**	N.M.
Loss after taxation	**(1,156)**	**(2,353)**		
LOSS ATTRIBUTABLE TO :-				
Shareholders of the Company	(867)	(2,246)		
Non-controlling interests	(289)	(107)		
	(1,156)	**(2,353)**		

N.M. – Not Meaningful

[This section is intentionally left blank]

(LOSS)/EARNINGS PER SHARE

	Group	
	3 months 30-Jun-2014	3 months 30-Jun-2013
Loss per share attributable to shareholders of the Company (cents per share)		
Basic	(0.27)	(0.72)
Diluted	(0.27)	(0.72)

STATEMENT OF COMPREHENSIVE (LOSS)/INCOME

	Group		%
	3 months 30-Jun-2014 HK$'000	3 months 30-Jun-2013 HK$'000	Increase/ (Decrease)
Loss after taxation	(1,156)	(2,353)	(50.87)
Other comprehensive income/(loss):-			
- currency translation differences	(119)	358	N.M.
TOTAL COMPREHENSIVE LOSS	**(1,275)**	**(1,995)**	
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:-			
Shareholders of the Company	(985)	(1,880)	
Non-controlling interests	(290)	(115)	
	(1,275)	**(1,995)**	

N.M. – Not Meaningful

1(a)(ii) Profit/(loss) before taxation is stated after charging / (crediting) the following:-

	Group			Increase/
	3 months 30-Jun-2014 HK$'000	3 months 30-Jun-2013 HK$'000	Ref	(Decrease) %
Exchange (gain)/loss, net	(710)	257	**8.1.6**	N.M.
Compensation from trade suppliers included in other income	(40)	(59)		(32.20)
Amortisation of intangible assets	575	274	**8.1.6**	>100.00
Depreciation of property, plant and equipment included in cost of sales	1,068	605	**8.1.2**	76.53
Depreciation of property, plant and equipment included in administrative expenses	490	526		(6.84)
Rental of office premises	692	508		36.22
Interest income	(1)	(1)		-
Interest expenses	421	304		38.49

N.M. – Not Meaningful

[This section is intentionally left blank]

1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Ref	Company	
	As at 30-Jun-14 HK$'000	As at 31-Mar-14 HK$'000		As at 30-Jun-14 HK$'000	As at 31-Mar-14 HK$'000
Non-current assets					
Property, plant and equipment	20,597	22,185	**8.2.1**	-	-
Intangible assets	48,907	49,482	**8.2.2**	-	-
Investments in subsidiaries	-	-		40,548	40,295
Deferred tax assets	1,877	1,889	**8.2.3**	-	-
	71,381	73,556		40,548	40,295
Current assets					
Inventories	226	109	**8.2.4**	-	-
Trade and other receivables	27,137	25,325	**8.2.5**	113	137
Due from subsidiaries	-	-		2,629	2,629
Tax recoverable	-	22		-	-
Cash and bank balances	11,190	11,449	**8.2.6**	700	79
	38,553	36,905		3,442	2,845
Total assets	**109,934**	**110,461**		**43,990**	**43,140**
Equity					
Share capital	88,585	87,285	**8.2.7**	88,585	87,285
Reserves	(50,795)	(50,559)		3,166	3,142
Accumulated profits/(losses)	29,134	30,001		(68,296)	(67,672)
Equity attributable to shareholders of the Company	66,924	66,727		23,455	22,755
Non-controlling interests	193	483	**8.2.8**	-	-
Total equity	67,117	67,210		23,455	22,755
Non-current liabilities					
Borrowings	4,964	7,690	**8.2.9**	-	-
Current liabilities					
Borrowings	4,649	3,842	**8.2.9**	-	-
Trade and other payables	32,310	31,081	**8.2.10**	860	1,787
Current tax payable	894	638		-	-
Due to subsidiaries	-	-		19,675	18,598
	37,853	35,561		20,535	20,385
Total liabilities	42,817	43,251		20,535	20,385
Total equity and liabilities	**109,934**	**110,461**		**43,990**	**43,140**

[This section is intentionally left blank]

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

(a) Amount repayable in one year or less, or on demand

As at 30 Jun 2014		As at 31 Mar 2014	
HK$'000	HK$'000	HK$'000	HK$'000
Secured	Unsecured	Secured	Unsecured
4,649	-	3,842	-

(b) Amount repayable after one year

As at 30 Jun 2014		As at 31 Mar 2014	
HK$'000	HK$'000	HK$'000	HK$'000
Secured	Unsecured	Secured	Unsecured
4,964	-	7,690	-

(c) Details of any collateral

Certain plant and equipment with an aggregate carrying amount of HK$17,255,000 as at 30 June 2014 (31 Mar 2014: HK$18,480,000) are pledged under existing finance lease arrangements.

[This section is intentionally left blank]

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	3 months 30-Jun-2014 HK$'000	3 months 30-Jun-2013 HK$'000
Cash flows from operating activities		
Loss before taxation	(834)	(2,353)
Adjustments for:-		
Amortisation of intangible assets	575	274
Depreciation of property, plant and equipment	1,558	1,131
Interest expenses	421	304
Interest income	(1)	(1)
Unrealised exchange (gain)/loss	(255)	99
Operating profit/(loss) before working capital changes	1,464	(546)
Inventories	(117)	-
Trade and other receivables	(4,946)	(1,806)
Trade and other payables	4,358	(1,841)
Cash generated from/(used in) operations	759	(4,193)
Interest paid	(421)	(304)
Interest received	1	1
Income tax paid	(32)	(34)
Net cash generated from/(used in) operating activities	**307**	**(4,530)**
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	7
Purchases of property, plant and equipment	(23)	(19)
Net cash used in investing activities	**(23)**	**(12)**
Cash flows from financing activities		
Issue of new ordinary shares upon exercise of employee share options	1,182	1,176
Movement in bank deposits pledged	-	100
Repayment of bank loans	-	(805)
Repayment of obligations under finance leases	(1,921)	(1,021)
Net cash used in financing activities	**(739)**	**(550)**
Net decrease in cash and cash equivalents	(455)	(5,092)
Cash and cash equivalents at beginning of period	11,449	9,978
Effect of exchange rate changes on cash and cash equivalents	196	268
Cash and cash equivalents at end of period	**11,190**	**5,154**

[This section is intentionally left blank]

1(d)(i) A statement (for the issuer and group) showing either (I) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Changes in Equity

	<---------- Attributable to shareholders of the Company ---------->							
Group	Share capital **HK$'000**	Share option reserve **HK$'000**	Capital reserve **HK$'000**	Currency translation reserve **HK$'000**	Accumulated profits **HK$'000**	**Equity attributable to shareholders of the Company HK$'000**	Non-controlling interests **HK$'000**	**Total equity HK$'000**
At 1 April 2013	85,991	236	(48,891)	(2,027)	142,950	178,259	1,440	179,699
Loss for the 3 months ended 30 June 2013	-	-	-	-	(2,246)	(2,246)	(107)	(2,353)
Other comprehensive income/(loss):								
Foreign currency translation differences	-	-	-	366	-	366	(8)	358
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**366**	**(2,246)**	**(1,880)**	**(115)**	**(1,995)**
Contributions by and distributions to shareholders								
Employee share options exercised	1,294	(118)	-	-	-	1,176	-	1,176
Total contributions by and distributions to shareholders	**1,294**	**(118)**	**-**	**-**	**-**	**1,176**	**-**	**1,176**
At 30 June 2013	87,285	118	(48,891)	(1,661)	140,704	177,555	1,325	178,880

	<---------- Attributable to shareholders of the Company ---------->							
Group	Share capital **HK$'000**	Share option reserve **HK$'000**	Capital reserve **HK$'000**	Currency translation reserve **HK$'000**	Accumulated profits **HK$'000**	**Equity attributable to shareholders of the Company HK$'000**	Non-controlling interests **HK$'000**	**Total equity HK$'000**
At 1 April 2014	87,285	118	(48,891)	(1,786)	30,001	66,727	483	67,210
Loss for the 3 months ended 30 June 2014	-	-	-	-	(867)	(867)	(289)	(1,156)
Other comprehensive loss:								
Foreign currency translation differences	-	-	-	(118)	-	(118)	(1)	(119)
Total comprehensive loss for the period	**-**	**-**	**-**	**(118)**	**(867)**	**(985)**	**(290)**	**(1,275)**
Contributions by and distributions to shareholders								
Employee share options exercised	1,300	(118)	-	-	-	1,182	-	1,182
Total contributions by and distributions to shareholders	**1,300**	**(118)**	**-**	**-**	**-**	**1,182**	**-**	**1,182**
At 30 June 2014	88,585	-	(48,891)	(1,904)	29,134	66,924	193	67,117

Statement of Changes in Equity

Company	Share capital HK$'000	Share option reserve HK$'000	Currency translation reserve HK$'000	Accumulated profits HK$'000	Equity attributable to shareholders of the Company HK$'000
At 1 April 2013	**85,991**	**236**	**(1,662)**	**(61,014)**	**23,551**
Loss for the 3 months ended 30 June 2013	-	-	-	(1,026)	(1,026)
Other comprehensive loss:-					
Foreign currency translation differences	-	-	382	-	382
Total comprehensive loss for the period	**-**	**-**	**382**	**(1,026)**	**(644)**
Contributions by and distributions to shareholders of the Company					
Employee share options exercised	1,294	(118)	-	-	1,176
Total transactions with shareholders in their capacity as shareholders	1,294	(118)	-	-	**1,176**
At 30 June 2013	**87,285**	**118**	**(1,280)**	**(62,040)**	**24,083**

Company	Share capital HK$'000	Share option reserve HK$'000	Currency translation reserve HK$'000	Accumulated profits HK$'000	Equity attributable to shareholders of the Company HK$'000
At 1 April 2014	**87,285**	**118**	**3,024**	**(67,672)**	**22,755**
Loss for the 3 months ended 30 June 2014	-	-	-	(624)	(624)
Other comprehensive loss:-					
Foreign currency translation differences	-	-	142	-	142
Total comprehensive loss for the period	**-**	**-**	**142**	**(624)**	**(482)**
Contributions by and distributions to shareholders of the Company					
Employee share options exercised	1,300	(118)	-	-	1,182
Total transactions with shareholders in their capacity as shareholders	1,300	(118)	-	-	**1,182**
At 30 June 2014	**88,585**	**-**	**3,166**	**(68,296)**	**23,455**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No. of Ordinary Shares
At 1 April 2013	312,799,998
Exercise of share options	3,600,000
At 31 March 2014 and at 1 April 2014	**316,399,998**
Exercise of share options	3,600,000
At 30 June 2014	**319,999,998**

On 11 October 2011 (the "grant date"), the Company granted 7,200,000 share options under the Sky One Holdings Limited Employee Share Option Scheme (the "Scheme") which were vested immediately. 3,600,000 share options under the Scheme were exercised in June 2013 and the balance of 3,600,000 share options were exercised in June 2014.

As at 30 June 2014, the Company had no outstanding share options, other convertibles or treasury shares. As at 30 June 2013, the Company had no other outstanding convertibles or treasury shares except for 3,600,000 share options under the Scheme.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please see information disclosed in item 1(d)(ii) above.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

As at 30 June 2014, the Company did not have any sales, transfers, disposal, cancellation and/or use of treasury shares.

There were no treasury shares as at 30 June 2014.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation for the current reporting period compared with the audited financial statements of the preceding financial year.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Group and the Company have adopted all the new and revised standards and interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 April 2014. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:-

	Description	*Effective for annual periods commencing on*
FRS 19	*Amendments to FRS 19: Defined benefit plans: Employee contributions*	1 July 2014
Improvements to FRS (January 2014)		1 July 2014
Improvements to FRS (February 2014)		1 July 2014
FRS 114	*FRS 114: Regulatory Deferral Accounts*	1 January 2016

The initial application of those standards and interpretations are not expected to have any material impact on the Group's financial statements. The Group has not considered the impact of accounting standards issued after the reporting date.

[This section is intentionally left blank]

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	3 months 30-Jun-2014 HK cents	3 months 30-Jun-2013 HK cents
Loss per ordinary share of the Group for the period based on total loss attributable to shareholders of the Company:-		
Basic loss per share: Based on weighted average 317,191,207 ordinary shares (30 June 2013: 313,551,646)	(0.27)	(0.72)
Diluted loss per share: Based on weighted average 318,725,179 ordinary shares (30 June 2013: 313,551,646)	(0.27)	(0.72)

The Company had no share options outstanding as at 30 June 2014. As at 30 June 2013, the Company had 3,600,000 share options outstanding. Although these outstanding share options were dilutive in nature, they were excluded from the calculation of the diluted weighted average number of ordinary shares as their effect would have been anti-dilutive as a result of the Group making losses in the financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company	
	30-Jun-14 HK cents	31-Mar-14 HK cents	30-Jun-14 HK cents	31-Mar-14 HK cents
Net Asset Value per ordinary share based on issued share capital of 319,999,998 (31 March 2014: 316,399,998)	20.97	21.24	7.33	7.19

[This section is intentionally left blank]

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INCOME STATEMENT

8.1.1 Revenue

	3 months 30-Jun-14		3 months 30-Jun-13		Variance	
Revenue by division	**HK$'000**	**%**	**HK$'000**	**%**	**HK$'000**	**%**
Express Land Transport	34,667	55.72	20,835	50.80	13,832	66.39
Airfreight	20,884	33.57	19,164	46.73	1,720	8.98
Coal Logistics	6,663	10.71	1,012	2.47	5,651	>100.00
Total	**62,214**	**100.00**	**41,011**	**100.00**	**21,203**	**51.70**

Total revenue for the 3 months ended 30 June 2014 ("1Q2015") as compared to the corresponding financial period ended 30 June 2013 ("1Q2014") increased by HK$21.20 million or 51.70% due to the increase in revenue across all three (3) of the Group's divisions.

1Q2015 revenue from the Express Land Transport division increased by 66.39% as compared to 1Q2014. This was mainly due to a 33.09% increase in volume transported and a 25.03% increase in the price per unit that we were able to charge.

Despite slightly lower volume handled by the Airfreight division during 1Q2015 as compared to 1Q2014, revenue for 1Q2015 was higher due to the increase in unit price.

Revenue from the Coal Logistics division increased substantially in 1Q2015 due to an upward adjustment in prices of logistics services during the second half of the financial year ended 31 March 2014. The volume of coal hauled in 1Q2015 also increased to approximately 204,000 metric tonnes ("MT") as compared to approximately 62,000MT in 1Q2014.

8.1.2 Cost of Sales

	3 months 30-Jun-14		3 months 30-Jun-13		Variance	
Cost of sales by nature	**HK$'000**	**%**	**HK$'000**	**%**	**HK$'000**	**%**
Customs declaration and handling costs	*6,065*	*11.01*	*4,324*	*12.27*	*1,741*	*40.26*
Transportation costs	*24,511*	*44.49*	*12,189*	*34.60*	*12,322*	*>100.00*
Packing materials	*35*	*0.06*	*49*	*0.14*	*(14)*	*(28.57)*
Total Express Land Transport costs	**30,611**	**55.56**	**16,562**	**47.01**	**14,049**	**84.83**
Airfreight transportation costs	**18,887**	**34.28**	**18,054**	**51.24**	**833**	**4.61**
Depreciation of motor vehicles	*1,068*	*1.94*	*605*	*1.72*	*463*	*76.53*
Fuel	*2,002*	*3.63*	*-*	*-*	*2,002*	*100.00*
Staff costs	*1,395*	*2.53*	*-*	*-*	*1,395*	*100.00*
Repair and maintenance of motor vehicles	*1,094*	*1.99*	*12*	*0.03*	*1,082*	*>100.00*
Others	*35*	*0.07*	*-*	*-*	*35*	*100.00*
Total Coal Logistics costs	**5,594**	**10.16**	**617**	**1.75**	**4,977**	**>100.00**
Total	**55,092**	**100.00**	**35,233**	**100.00**	**19,859**	**56.36**

Per unit costs of transportation during 1Q2015 were higher by 51.10% compared to 1Q2014 due to changes to China import procedures. Factoring in the 33.09% increase in volume transported, transportation costs increased by HK$12.32 million. Customs declaration and handling costs increased for similar reasons, resulting in an overall increase in cost of sales by HK$14.05 million for the Express Land Transport division.

The cost of sales of the Airfreight division increased by HK$0.83 million in 1Q2015 largely in line with the increase in revenue.

Cost of sales for the Coal Logistics division in 1Q2014 comprised mainly depreciation of vehicles which are rented to our customer. However, due to the price increase mentioned in item **8.1.1** above, our Group's Coal Logistics division had agreed to absorb certain costs previously borne by the customer such as fuel, driver remuneration as well as repair and maintenance of vehicles. Depreciation of motor vehicles also increased by HK$0.46 million due to further purchases of motor vehicles subsequent to 1Q2014. As such, there was a significant increase in the cost of sales for the Coal Logistics division in 1Q2015.

8.1.3 Gross Profit

	3 months 30-Jun-14		3 months 30-Jun-13		Variance	
Gross Profit by division	**HK$'000**	**%**	**HK$'000**	**%**	**HK$'000**	**%**
Express Land Transport	4,056	56.95	4,273	73.95	(217)	(5.08)
Airfreight	1,997	28.04	1,110	19.21	887	79.91
Coal Logistics	1,069	15.01	395	6.84	674	>100.00
Total	**7,122**	**100.00**	**5,778**	**100.00**	**1,344**	**23.26**

Gross Profit Margin by division	**1Q2015 %**	**1Q2014 %**	**Variance Percentage points**
Express Land Transport	11.70	20.51	(8.81)
Airfreight	9.56	5.79	3.77
Coal Logistics	16.04	39.03	(22.99)
Total	**11.45**	**14.09**	**(2.64)**

Gross profit of the Express Land Transport division decreased by HK$0.22 million in 1Q2015 due to the aforementioned increase in cost of sales. Despite the increase in the unit prices, the increase in transportation costs adversely impacted on the gross profit margin, causing a decrease from 20.51% in 1Q2014 to 11.70% in 1Q2015.

Gross profit of the Airfreight division increased in 1Q2015 by HK$0.89 million due to the increase in revenue. Value-added services such as packaging provided by the Airfreight division in 1Q2015 helped to provide a higher gross profit margin of 9.56% as compared to 5.79% in 1Q2014.

Gross profit for the Coal Logistics division in 1Q2015 increased due to the increase in the volume of coal hauled. However, gross profit margin decreased by 22.99 percentage points due to the significant increase in cost of sales as mentioned in item **8.1.2**.

8.1.4 Other income

Other income decreased by HK$0.15 million due to the absence of income received from short-term rental of the Express Land Transport division's vehicles in 1Q2015.

8.1.5 Distribution and selling expenses

The Group uses a commission based remuneration system for its Express Land Transport and Airfreight divisions. These commissions are computed based mainly on the gross profit margin and/or certain absolute dollar targets that sales personnel achieve. Due to the decrease in the gross profit margin of the Express Land Transport division and unmet sales targets in the Airfreight division, distribution and selling expenses decreased by HK$0.31 million.

8.1.6 Administrative expenses

Administrative expenses decreased by HK$0.13 million mainly due to foreign currency translation gains of HK$0.71 million. Netted off against administrative expenses were gains from foreign exchange rate translations due to the weakening of the Indonesian Rupiah against the US Dollar. Mainly, the Coal Logistics division's Indonesian Rupiah denominated liabilities were reduced when translated into its functional currency, the US Dollar. There were also foreign exchange translation gains from retranslation of Hong Kong Dollar denominated amounts owing by the Company to its subsidiaries. As the Company's functional currency is the Singapore Dollar, weakening of the Hong Kong Dollar against the Singapore Dollar resulted in a reduction of the Company's liabilities in Singapore Dollar terms.

However, there was a HK$0.30 million increase in amortisation of the coal logistics contracts of the Coal Logistics division due to the increase in volume of coal hauled (see also item **8.2.2**).

8.1.7 Finance costs

Finance costs increased by HK$0.12 million in 1Q2015 due to additional finance leases obtained for the vehicles purchased by the Coal Logistics division.

8.1.8 Income tax expense

Arising from the profit recorded by the Group's individual subsidiaries, tax provisions were recorded for 1Q2015. No provisions were made for 1Q2014 due to losses recorded in that quarter.

ASSETS, LIABILITES AND RESERVES

8.2.1 Property, plant and equipment

Property, plant and equipment decreased by HK$1.59 million during 1Q2015 due to depreciation of HK$1.56 million, additions of equipment of HK$0.02 million and exchange rate retranslation loss of HK$0.05 million due to retranslation of non-HK$ property, plant and equipment.

8.2.2 Intangible assets

Intangible assets comprised:

Group	Coal logistics contracts **HK$'000**
Cost	
At 1 April 2013	**155,709**
Accumulated amortisation	(3,183)
Current year impairment	(103,044)
At 31 March 2014	**49,482**
Current period amortisation	(575)
At 30 June 2014	**48,907**

Impairments

Please see item **8.1.6** for commentary on amortisation made.

8.2.3 Deferred tax assets

In computing the tax expense for 1Q2015, it was assumed that the tax authorities would allow deduction of unutilised tax losses against the taxable profits of 1Q2015. Hence, deferred tax assets decreased by HK$0.01 million.

8.2.4 Inventories

Inventories mainly comprised vehicle spare parts used by the Coal Logistics division.

8.2.5 Trade and other receivables

The increase in trade and other receivables was mainly due to increase in revenue during 1Q2015.

8.2.6 Cash and cash equivalents/ cash and bank balances

	Group 30-Jun-14 HK$'000
Cash and cash equivalents at 31-Mar-14	11,449
Cash flows from Operating Activities	307
Cash flows used in Investing Activities	(23)
Cash flows used in Financing Activities	(739)
Net increase in cash and cash equivalents	(455)
Effect of exchange rate changes on cash and cash equivalents	196
Cash and cash equivalents at 30-Jun-14	11,190

Cash flows from operating activities

The Group generated cash from operations of HK$0.76 million due mainly to an operating profit of HK$1.46 million less working capital changes of HK$0.71 million. After interest received and paying interest and taxes totaling HK$0.45 million, net cash generated from operating activities was HK$0.31 million.

Cash flows from investing activities

There were HK$0.02 million purchases of equipment during 1Q2015.

Cash flows from financing activities

During 1Q2015, the Group received proceeds of approximately HK$1.18 million as a result of the allotment and issuance of new shares in the Company pursuant to the exercise of employee share options. The Group also repaid HK$1.92 million in hire-purchase principal.

8.2.7 Share capital

Share capital increased by HK$1.30 million due to the allotment and issuance of new shares in the Company pursuant to the exercise of employee share options. The increase represented the amount of HK$1.18 million received in cash and transferred from the share option reserve of HK$0.12 million.

8.2.8 Non-controlling interests

Non-controlling interests decreased by HK$0.29 million due to losses incurred at the related subsidiaries.

8.2.9 Borrowings

Borrowings decreased by HK$1.92 million due to repayments of hire-purchase principal.

8.2.10 Trade and other payables

Trade and other payables increased mainly due to the purchase of services to cope with the increase in revenue in 1Q2015.

[This section is intentionally left blank]

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Proposed Acquisition of an Indonesian Coal Mining Business

The due diligence in relation to the acquisition of Energy Prima Pte Ltd and its subsidiaries (the "Proposed Acquisition") is in progress. Reports on the coal reserves, value, financials and other material matters are being prepared and reviewed with a view to be tabled at an extraordinary general meeting of the Company for approval by the Company's shareholders, subject to, *inter alia*, obtaining regulatory approvals and satisfactory due diligence.

A condition precedent for the completion of the Proposed Acquisition is the proposed disposal of the Company's existing business (excluding PT Energy Indonesia Resources and any shares in it held by Sky One Network (Holding) Ltd) to Dicky Suen Yiu Chung, a controlling shareholder and Chief Executive Officer of the Company (the "Proposed Disposal").

Please refer to the Company's announcements on 28 September 2012, 10 October 2012, 25 September 2013 and 1 July 2014 for more details on the Proposed Acquisition and Proposed Disposal.

The Company will update its shareholders as and when there are material developments to the Proposed Acquisition and the Proposed Disposal.

The Group's Current Operations and Businesses

The Group's Coal Logistics division provides mining support services such as coal hauling. It commenced business in October 2012. From October 2012 to 31 March 2014, the division has hauled approximately 740,000MT of coal. From 1 April 2014 to 30 June 2014, it hauled approximately 204,000MT of coal. Notwithstanding the higher gross profit recorded in 1Q2015 for the Coal Logistics division, gross profit margin was lower due to the reasons set out in item **8.1.2** above. In view of the high demand for energy and coal resources, the Group remains cautiously optimistic about the performance of the Coal Logistics division, barring any unforeseen circumstances.

Although the Express Land Transport division had shown positive results in 1Q2015, the Group remains wary. The changes in China are still ongoing and the final outcome cannot be predicted. Demand in the key markets of its Airfreight division is currently uncertain and there may be unforeseen declines in cargo volume and/or unit price.

[This section is intentionally left blank]

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period/year reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period/year of the immediately preceding financial year?

No.

(c*) Date payable*

Not applicable.

(d) *Books closure date*

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the first quarter ended 30 June 2014.

13. Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "Catalist Rules"). Excluding transactions less than S$100,000, there were no interested person transactions entered into during the first quarter ended 30 June 2014.

By Order of the Board

Dicky Suen Yiu Chung
Chief Executive Officer
13 August 2014

CONFIRMATION PURSUANT TO RULE 705(5) OF THE CATALIST RULES

We confirm, on behalf of the Board of Directors, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial statements of the Group and the Company for the first quarter ended 30 June 2014 to be false or misleading in any material aspect.

On behalf of the Board

Dicky Suen Yiu Chung
Director

Lau Hon Kit
Director