

**SKY ONE HOLDINGS LTD**  
(Incorporated in the Republic of Singapore)  
Registration No. 198602949M

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**DEED OF SETTLEMENT WITH mDR LIMITED**

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Further to the announcement released on 27 March 2008 relating to the issuance of the writ of summons by mDR Limited ("mDR") against the Company, the Board of Directors of Sky One Holdings Limited (the "Company") wishes to announce that a Deed of Settlement has been signed among the parties, namely, mDR Limited, Tay Soon Lee ("Manson Tay") and the Company to record the settlement in relation to the forgoing of the Inventory Sell-Back Option Claim, the EDC Debts Claim and the Outstanding Rental Deposit Claim against the Company.

In the Deed of Settlement, it was recorded that Manson Tay had indemnified the Company against the aforesaid claims and mDR had undertaken to withdraw the lawsuits against the Company and it (mDR) would deal directly with Manson Tay.

Apart from the lawsuits mentioned above, mDR claimed it had been owed by the Company for long outstanding net balances. Investigation of the validity of the claims mentioned above would incur additional legal costs and time, mDR and the Company have therefore agreed to a full and final settlement of all and future claims.

The full and final settlement by the Company with mDR does not have any material impact on the group's earnings per share and net tangible assets for the financial year ending 31 March 2009.

By Order of the Board

Dicky Suen Yiu Chung  
Director  
9 December 2008