



SKY ONE HOLDINGS LIMITED
(Company Registration No : 198602949M)

Half-Year Unaudited Financial Statement And Dividend Announcement for the Period ended 30 September 2010

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

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		% Increase/ (Decrease)
	6 Months Ended 30-Sep-10 HK\$'000	6 Months Ended 30-Sep-09 HK\$'000	
Revenue	87,399	62,295	40.30
Cost of sales	(69,109)	(48,266)	43.18
Gross profit	18,290	14,029	30.37
Other income	305	555	(45.05)
Selling and distribution expenses	(5,493)	(2,971)	84.89
Administrative expenses	(8,914)	(12,859)	(30.67)
Finance costs	(112)	(79)	41.77
Profit/(loss) before taxation	4,076	(1,325)	N.M.
Tax (charge)/credit	(794)	99	N.M.
PROFIT /(LOSS) AFTER TAXATION	3,282	(1,226)	
Other comprehensive expense:			
Currency translation differences	(834)	(732)	13.93
TOTAL COMPREHENSIVE INCOME/(LOSS)	2,448	(1,958)	N.M.
<u>Profit/(loss) attributable to :</u>			
Shareholders of the Company	3,282	(1,226)	
<u>Total comprehensive income/(loss) attributable to :</u>			
Shareholders of the Company	2,448	(1,958)	
Earnings /(loss) per share (cents)			
Basic	1.35	(0.50)	
Diluted	1.35	(0.50)	

N.M. – Not Meaningful

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

	Group		% Increase/ (Decrease)
	6 Months Ended 30-Sep-10 HK\$'000	6 Months Ended 30-Sep-09 HK\$'000	
Foreign exchange adjustment gain	(597)	(606)	(1.49)
Depreciation of property, plant and equipment	1,347	1,229	9.60
Gain on disposal of property, plant and equipment	(157)	(400)	(60.75)
Rental of office premises	595	774	(23.13)
Interest expense	112	79	41.77

N.M. – Not Meaningful

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

	Group		Company	
	30-Sep-10 HK\$'000	31-Mar-10 HK\$'000	30-Sep-10 HK\$'000	31-Mar-10 HK\$'000
Non-current assets				
Property, plant and equipment	7,336	8,234	-	-
Investments in subsidiaries	-	-	77,740	77,740
Goodwill	22,493	22,493	-	-
	<u>29,829</u>	<u>30,727</u>	<u>77,740</u>	<u>77,740</u>
Current assets				
Trade and other receivables	39,648	39,884	238	87
Tax recoverable	-	98	-	-
Pledged bank deposit	600	600	-	-
Cash and bank balances	22,970	17,412	3,134	5,760
	<u>63,218</u>	<u>57,994</u>	<u>3,372</u>	<u>5,847</u>
Total assets	<u>93,047</u>	<u>88,721</u>	<u>81,112</u>	<u>83,587</u>
Equity attributable to equity holders of the Company				
Share capital	298,323	298,323	298,323	298,323
Reserves	(283,012)	(282,178)	(1,042)	(208)
Accumulated profits/(losses)	51,179	47,897	(230,189)	(233,471)
Total equity	<u>66,490</u>	<u>64,042</u>	<u>67,092</u>	<u>64,644</u>
Non-current liabilities				
Interest-bearing loans and borrowings	443	509	-	-
Deferred tax liabilities	121	149	-	-
	<u>564</u>	<u>658</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade and other payables	16,491	13,458	768	1,266
Tax payable	618	-	-	-
Investor deposit pending new share issue	6,013	6,662	6,013	6,662
Interest-bearing loans and borrowings	2,871	3,901	-	-
Amounts owing to subsidiaries	-	-	7,239	11,015
	<u>25,993</u>	<u>24,021</u>	<u>14,020</u>	<u>18,943</u>
Total liabilities	<u>26,557</u>	<u>24,679</u>	<u>14,020</u>	<u>18,943</u>
Total equity and liabilities	<u>93,047</u>	<u>88,721</u>	<u>81,112</u>	<u>83,587</u>

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 Sep 2010		As at 31 Mar 2010	
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Secured	Unsecured	Secured	Unsecured
2,871	-	3,901	-

(b) Amount repayable after one year

As at 30 Sep 2010		As at 31 Mar 2010	
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Secured	Unsecured	Secured	Unsecured
443	-	509	-

(c) Details of any collateral

Certain plant and equipment with an aggregate carrying amount of HK\$1,321,000 are pledged under existing finance lease arrangements (31 Mar 2010: HK\$1,284,000).

An outstanding bank loan of HK\$380,000 (31 Mar 2010: HK\$770,000) is secured by personal guarantees given by the directors of a subsidiary.

An outstanding bank loan of HK\$2,000,000 (31 Mar 2010: HK\$2,000,000) is secured by a corporate guarantee given by the Company and a cash pledge of HK\$600,000 (31 Mar 2010: HK\$600,000) held in a savings account with the lender bank.

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	
	6 Months Ended 30-Sep-10 HK\$'000	6 Months Ended 30-Sep-09 HK\$'000
Cash flows from operating activities		
Profit/(loss) before taxation	4,076	(1,325)
Adjustments for :		
Depreciation of property, plant and equipment	1,347	1,229
Gain on disposal of property, plant and equipment	(157)	(400)
Interest expenses	112	79
Unrealised exchange gain	(658)	(614)
Operating profit/(loss) before working capital changes	<u>4,720</u>	<u>(1,031)</u>
Increase in trade and other receivables	247	(9,583)
Increase in trade and other payables	2,978	12,015
Cash generated from operations	<u>7,945</u>	<u>1,401</u>
Interest paid	(112)	(79)
Income tax (paid)/refund	(106)	436
Net cash generated from operating activities	<u><u>7,727</u></u>	<u><u>1,758</u></u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	235	400
Purchases of property, plant and equipment	(227)	(193)
Net cash generated from investing activities	<u>8</u>	<u>207</u>
Cash flows from financing activities		
Partial return of investor deposit pending new share issue	(1,019)	-
Proceeds from interest-bearing loans and borrowings	-	2,000
Repayment of interest-bearing loans and borrowings	(1,396)	(903)
Net cash (used in)/generated from financing activities	<u><u>(2,415)</u></u>	<u><u>1,097</u></u>
Net increase in cash and cash equivalents	5,320	3,062
Cash and cash equivalents at beginning of period	17,412	6,514
Effect of exchange rate changes on cash and cash equivalents	238	10
Cash and cash equivalents at end of period	<u><u>22,970</u></u>	<u><u>9,586</u></u>

The Group has undrawn bank borrowing facilities amounting to HK\$10,000,000 as at 30 September 2010 (31 March 2010: HK\$5,000,000).

Non-cash transaction

During the financial half-year, the Group acquired plant and equipment with an aggregate cost of HK\$527,000 (30 September 2009: HK\$458,000) of which HK\$300,000 (30 September 2009: HK\$265,000) was acquired by means of finance lease. Cash payment of HK\$227,000 (30 September 2009: HK\$193,000) were made to purchase plant and equipment.

- 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

Group	Share capital HK\$'000	Capital reserve HK\$'000	Currency translation reserve HK\$'000	Accumulated profits HK\$'000	Total equity HK\$'000
At 1 April 2009	298,323	(281,970)	725	47,853	64,931
Total comprehensive loss for the period	-	-	(732)	(1,226)	(1,958)
At 30 Sep 2009 and at 1 Oct 2009	298,323	(281,970)	(7)	46,627	62,973
Total comprehensive income for the period	-	-	(201)	1,270	1,069
At 31 Mar 2010 and at 1 Apr 2010	298,323	(281,970)	(208)	47,897	64,042
Total comprehensive income for the period	-	-	(834)	3,282	2,448
At 30 Sep 2010	298,323	(281,970)	(1,042)	51,179	66,490

Statement of Changes in Equity

Company	Share capital HK\$'000	Currency translation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 1 April 2009	298,323	725	(91,268)	207,780
Total comprehensive loss for the period	-	(732)	(560)	(1,292)
At 30 Sep 2009 and at 1 Oct 2009	298,323	(7)	(91,828)	206,488
Total comprehensive loss for the period	-	(201)	(141,643)	(141,844)
At 31 Mar 2010 and at 1 Apr 2010	298,323	(208)	(233,471)	64,644
Total comprehensive profit for the period	-	(834)	3,282	2,448
At 30 Sep 2010	298,323	(1,042)	(230,189)	67,092

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 2010	<u>243,199,998</u>
At 30 September 2010	<u>243,199,998</u>

On 18 January 2010, the Company announced that it had, on 15 January 2010, entered into a Subscription and Share Lending Agreement with the Investors. Capitalised terms used herein shall have the same meaning as defined in the Company's announcement dated 18 January 2010.

On 25 January 2010 in accordance with the terms of the Subscription and Share Lending Agreement, the Investors had paid the Deposit of a sum of S\$1,200,000.

On 3 August 2010 it was announced that the terms of the Subscription and Share Lending Agreement had been amended to *inter alia*, reduce the number of Subscription Shares and Option Shares. Consequently, an amount of S\$180,000 of the Deposit was returned to the Investors by the Company. The balance of the investors' Deposit of a Hong Kong dollar equivalent of HK\$6,013,000 is shown in the balance sheet statement.

The Proposed Share Issue is conditional upon, *inter alia*, approval of the Company's shareholders. In addition, section 161 of the Companies Act (Chapter 50) requires that the issue of new shares pursuant to the Share Issue be approved by the Company's shareholders at a general meeting. Accordingly, the Company will convene an extraordinary general meeting to seek the requisite shareholders' approvals. A Circular to Shareholders together with a notice of extraordinary general meeting will be despatched to shareholders of the Company in due course.

Consequently, no new shares have yet been issued in relation to the Subscription and Share Lending Agreement at the date of this report. Please refer to the Company's announcements on 18 January 2010, 26 January 2010 and 3 August 2010 for further details.

Furthermore, there were no 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.

The Company has no outstanding convertibles or treasury shares.

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 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 September 2010, the Company did not have any sales, transfers, disposal, cancellation and/or use of treasury shares.

There are no treasury shares as at 30 September 2010 and 30 September 2009.

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 paragraph 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 Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 April 2010.

FRS	Title	Effective date for the period beginning on or after
FRS 32	Classification of Rights Issue (Amendment to FRS 32)	01.02.2010
FRS 39	Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items	01.07.2009
FRS 39 INT FRS 109	Amendment to INT FRS 109 and FRS 39 – Embedded Derivatives	30.06.2009
FRS 103 (Amendment)	Business Combinations	01.07.2009
FRS 27	Consolidated and Separate Financial Statements	01.07.2009

The adoption of the FRS did not result in any substantial changes to the Group's accounting policies and there is no material impact on the financial statement.

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	
	6 months ended 30 Sep 2010 Hong Kong cents	6 months ended 30 Sep 2009 Hong Kong cents
Earnings/(loss) per ordinary share of the Group for the period based on net profit/(loss) attributable to shareholders : -		
Based on weighted average 243,199,998 ordinary shares (30 September 2009:243,199,998)	1.35	(0.50)
On a fully diluted basis	1.35	(0.50)

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-Sep-10 Hong Kong cents	31-Mar-10 Hong Kong cents	30-Sep-10 Hong Kong cents	31-Mar-10 Hong Kong cents
Net Asset Value per ordinary share based on issued share capital of 243,199,998 (31 March 2010:243,199,998)	27.34	26.33	26.01	26.58

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.**

a) Revenue

Revenue by division	6 months ended 30-Sep-10		6 months ended 30-Sep-09		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Express Land Transport	41,140	47.07	41,271	66.25	(131)	(0.32)
Airfreight	46,259	52.93	21,024	33.75	25,235	>100.00
Total	87,399	100.00	62,295	100.00	25,104	40.30

Revenue for the 6 months ended 30 September 2010 ("1H2011") is higher by HK\$25.1 million as compared to the previous comparative 6 months ended 30 September 2009 ("1H2010"). The increase arose from Airfreight Division which contributed revenue of HK\$46.3 million in 1H2011 due to a recent increase in staff force and the acquisition of new customers. Airfreight revenue in 1H2010 was lower at HK\$21.0 million as the new staff and customers were acquired only in August 2009.

Revenue from the Express Land Transport Division for 1H2011 remained relatively the same compared to 1H2010 as the price increase per kilogram is offset by lower volume of goods moved. The Group has increased its prices in 1H2011 in response to increases in direct costs. Consequently, demand had decreased and the volume of goods moved dropped by 0.9 million kilograms in 1H2011 to 2.9 million kilograms from 3.8 million kilograms in 1H2010. The average price per kilogram in 1H2011 is now HK\$14.17 compared to HK\$10.87 in 1H2010.

b) Cost of Sales

Cost of sales by nature	6 months ended 30-Sep-10		6 months ended 30-Sep-09		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Customs declaration and handling costs	18,151	26.26	21,015	43.54	(2,864)	(13.63)
Transportation costs	9,107	13.18	8,031	16.64	1,076	13.40
Packing materials	171	0.25	119	0.25	52	43.70
Total Express Land Transport	27,429	39.69	29,165	60.43	(1,736)	(5.95)
Transportation costs	41,680	60.31	19,101	39.57	22,579	>100.00
Total Airfreight	41,680		19,101	39.57	22,579	>100.00
Total	69,109	100.00	48,266	100.00	20,843	43.18

Express Land Transport costs have decreased mainly in line with the decrease in the volume of goods transported. However, due to changes in regulations, a large category of previously non-dutiable goods now attract customs duties in the People's Republic of China, which has led to increases in customs and handling charges per kilogram. The increased paperwork for each shipment has led to longer transit time while waiting for customs clearance. As such, transportation costs per kilogram have increased as most of our vehicles are on daily rental basis. The average cost per kilogram in 1H2011 is HK\$9.45 compared for HK\$7.68 in 1H2010.

Airfreight costs have increased largely in line with the increase in revenue.

c) Gross Profit

Gross Profit by division	6 months ended 30-Sep-10		6 months ended 30-Sep-09		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Express Land Transport	13,711	74.96	12,106	86.29	1,605	13.26
Airfreight	4,579	25.04	1,923	13.71	2,656	>100.00
Total	18,290	100.00	14,029	100.00	4,261	30.37

Gross Margin by division

Express Land Transport	33.33%	29.33%	4.00%
Airfreight	9.90%	9.15%	0.75%
Total	20.93%	22.52%	(1.59)%

Gross profit and the gross margin from the Express Land Transport Division has increased by HK\$1.6 million and 4 percentage points respectively due to unit price increases as mentioned earlier.

The gross profit from the Airfreight Division has increased largely in line with the increase in revenue. Airfreight gross margin remains relatively stable at 9.90% in 1H2011 as compared to 9.15% in 1H2010.

However, the overall drop in the Group's gross margin by 1.59 percentage points is mainly attributable to the higher proportion of airfreight revenue in Group revenue. Airfreight Division revenue now comprises 52.93% of Group revenue in 1H2011 compared to only 33.75% in 1H2010.

d) Other Income

Other income decreased mainly due to lower gains from disposals of motor vehicles of HK\$157,000 compared to HK\$400,000 in 1H2010.

e) Selling and Distribution Expenses

Selling and distribution expenses increased by 84.89% mainly due to new Airfreight Division staff who joined in August 2009 whose salaries and commission are included in this category. The salaries and commission in 1H2011 reflect 6 months of expenses of the new Airfreight staff compared to less than 2 months in 1H2010.

f) Administrative Expenses

Administrative expenses have decreased by 30.67% mainly due to a HK\$3.6 million decrease in wages and salaries (other than staff cost for the Airfreight Division as mentioned above). Arising from lower volumes, the Group has rationalised a number of working processes to reduce staff numbers. There was an average of 85 staff members in 1H2010 compared to 56 staff members as at the end of 1H2011.

Depreciation of property, plant and equipment increased by 9.60% mainly due to additional purchases of motor vehicles and equipment since 1 October 2009 of approximately HK\$1.25 million.

g) Finance costs

There is an increase in finance costs mainly due to the effect of a full 6 months interest on a HK\$2.0 million revolving credit drawdown. The HK\$2.0 million revolving credit was drawdown in August 2009, thereby incurring interest of only less than 2 months in 1H2010.

h) Taxation

The effective tax rate for 1H2011 is high on a group basis as there is no taxable income at the Company level to offset its corporate expenses.

A tax credit has been recognised in the income statement for 1H2010 as the Group has recognised the tax losses of a subsidiary as a deferred tax asset to be utilised against future taxable profits.

i) Profit/(loss) after taxation

In summary, price increases in the Express Land Transport Division and higher Airfreight revenue have lifted the Group into profitability for 1H2011. The lower administrative staff wages and salaries have also contributed to profitability but is offset by higher salesmen salaries and commission (for the Airfreight Division) as shown in Selling and Distribution expenses.

j) Other comprehensive expense

Other comprehensive expense consists of translation of Singapore Dollar ('S\$') denominated balances into Hong Kong Dollars ('HK\$') which is the Group's reporting currency. An expense was recorded for 1H2011 as the US\$ (on which the HK\$ is effectively pegged) depreciated against the S\$. Hence, the Group's S\$ liabilities increased in HK\$ terms. The exchange rate used as at 30 September 2010 is S\$1.00:HK\$5.89 compared to S\$1.00:HK\$5.55 as at 31 March 2010. A similar expense was recorded for 1H2010 when the exchange rate used at 30 September 2009 was S\$1.00:HK\$5.47 compared to S\$1.00:HK\$5.10 as at 31 March 2009.

k) Property, plant and equipment

Property, plant and equipment decreased by HK\$898,000 mainly due to depreciation charges of HK\$1.35 million and disposals of motor vehicles with a net book value of HK\$0.08 million. These were offset by motor vehicle and equipment purchases of HK\$0.53 million.

l) Trade and other receivables

Trade and other receivables dropped slightly by HK\$0.24 million despite the increase in overall revenue mainly due to the Group's continuation of its focus on cash collections and credit management implemented during the financial crisis of the previous year.

m) Cash and cash equivalents

	Group	
	6 months ended 30-Sep-10 HK\$'000	6 months ended 30-Sep-09 HK\$'000
Cash flows from Operating Activities	7,727	1,758
Cash flows from Investing Activities	8	207
Cash flows from Financing Activities	<u>(2,415)</u>	<u>1,097</u>
Net increase in cash and cash equivalents	<u>5,320</u>	<u>3,062</u>

Cash flow from operating activities

Cash flows from operating activities have improved from HK\$1.8 million in 1H2010 to HK\$7.7 million in 1H2011 due to improved profitability this half-year and better credit control.

Cash flow from investing activities

The Group generated a net cash inflow of HK\$8,000 from the normal disposal and replacement of old vehicles.

Cash flow from financing activities

During the half-year, the Group returned S\$180,000 (approximately HK\$1,019,000) out of a S\$1,200,000 Deposit from Investors received on 25 January 2010 due to amendments made to the Subscription and Share Lending Agreement. Please refer to information disclosed in part 1(d)(ii) above and the Company's announcement through SGX-Catalist on 3 August 2010.

The balance of HK\$1,396,000 in net cash used in financing activities is due to capital repayment of secured loans and finance leases.

n) Interest-bearing loans and borrowings

Total interest-bearing loans and borrowings decreased by HK\$1.1 million mainly due to repayment of HK\$1.4 million offset by additional finance lease obtained amounting to HK\$0.3 million.

o) Deferred tax liabilities

Deferred tax liabilities decreased by HK\$28,000 to HK\$121,000 as at 30 September 2010 mainly due to the effect of temporary differences between accounting depreciation and tax depreciation.

p) Trade and other payables

	Group	
	30 Sep 10 HK\$'000	31 Mar 10 HK\$'000
Trade payables	14,414	9,993
Other payables	2,077	3,465
	<u>16,491</u>	<u>13,458</u>

Trade payables have increased in line with higher cost of sales. Other payables have decreased mainly due to clearing of accruals of expenses.

q) Tax payable/recoverable

The Group is in a tax payable position as at 30 September 2010 due to higher profitability in 1H2011. The Group was in a tax recoverable position as at 31 March 2010 due to prepaid taxes being higher than actual tax payable during the year ended 31 March 2010.

r) Investor deposit pending new share issue

Investor deposit pending new share issue decreased by HK\$0.7 million from HK\$6.7 million to HK\$6.0 million due to return of HK\$1.0 million to the Investors (please see comments in 8(m) Cash and cash equivalents and part 1(d)(ii) above). This was offset by a HK\$0.3 million increase in value in HK\$ terms on exchange rate retranslation at 30 September 2010 due to the strengthening of S\$ (of which the amount is denominated) against the HK\$.

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.

There was a noticeable increase in costs per kilogram in the Express Land Transport Division due to new regulations from the People's Republic of China to impose customs duties on previously non-dutiable goods. The Group has managed to pass on these costs to the customer in the form of price increases but this has depressed overall demand for this service. Demand may drop further if the trend in customs duties continues. As expected, the Airfreight Division has grown and the gross margin from this segment of the logistics industry is fairly stable. As such the Group will continue to put more effort in this direction.

11. Dividend

(a) Current Financial Period Reported On

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

Yes.

Name of Dividend	Interim
Dividend Type	Cash
Dividend rate	0.15 Singapore cent per ordinary share (Tax Exempt – 1 Tier)
Tax Rate	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

14 December 2010

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of Sky One Holdings Limited (the "Company") will be closed from 26 November 2010 after 5.00 p.m. to 29 November 2010 for the purpose of determining members' entitlements to the interim dividend of 0.15 Singapore cent per share in respect of the financial year ending 31 March 2011.

Duly completed registerable transfers in respect of the shares in the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 26 November 2010 will be registered to determine members' entitlements to the said interim dividend. Members whose Securities Accounts with the Central Depository (Pte) Ltd are credited with shares in the Company at 5.00 p.m. on 26 November 2010 will be entitled to the said interim dividend.

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

Not applicable.

13. Interested Person Transactions

For this financial period, there were no interested person transactions pursuant to Rule 920 (excluding transactions less than S\$100,000).

By Order of the Board

Dicky Suen Yiu Chung
Chief Executive Officer
10 November 2010

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

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 half year ended 30 September 2010 to be false or misleading in any material aspect.

On behalf of the Board

Dicky Suen Yiu Chung
Director

Lau Hon Kit
Director

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**Exchange**"). The Company's Sponsor has not independently verified the contents of this announcement including the correctness of any of the figures used, statements or opinions made.*

This announcement has not been examined or approved by the Exchange and the Exchange 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. Liau H.K.
Telephone number: 6221 0271*