

SKY ONE HOLDINGS LIMITED
(Company Registration No: 198602949M)
(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF UP TO 60,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF SKY ONE HOLDINGS LIMITED

1. Introduction

The Board of Directors (the "**Board**" or "**Directors**") of Sky One Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 9 November 2011 entered into a placement agreement (the "**Placement Agreement**") with UOB Kay Hian Private Limited ("**UOBKH**" or the "**Placement Agent**") pursuant to which the Company has agreed to allot and issue up to 60,000,000 new ordinary shares in the capital of the Company (the "**Placement Shares**") and UOBKH has agreed, on a best effort basis, to procure subscribers for the Placement Shares, at an issue price of S\$0.0500 per Placement Share (the "**Placement Price**"), on the terms and conditions set out in the Placement Agreement (the "**Proposed Placement**").

Under the Placement Agreement, the Placement Agent shall offer the Placement Shares for subscription only to an institutional investor pursuant to Section 274 of the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**") or an accredited investor or relevant person pursuant to Section 275 of the SFA. As such, no prospectus or offer information statement will be lodged by the Company with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") acting as agent on behalf of the Monetary Authority of Singapore in connection with the Proposed Placement.

The Placement Price represents a discount of approximately 9.91% to the volume-weighted average market price of S\$0.0555 for each ordinary share in the capital of the Company ("**Share**"), based on trades done on the Catalist Board (the "**Catalist**") of the SGX-ST on 9 November 2011, being the full market day on which the Placement Agreement is signed.

The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued Shares at the time of the issue except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of issue of the Placement Shares.

2. Mandate for the Issue of the Placement Shares

The Placement Shares will be allotted and issued pursuant to the general share issue mandate granted by the shareholders of the Company at the annual general meeting of the Company held on 28 July 2011 (the "**General Mandate**"). As at the date of this announcement, the Company has not issued any shares pursuant to the General Mandate.

The Placement Shares represent (i) approximately 24.67% of the existing issued and paid-up share capital of the Company (excluding treasury shares) as at the date of this announcement; and (ii) approximately 19.79% of the enlarged issued share capital of the Company after the issue of the Placement Shares.

3. Conditions precedent to Completion

The Proposed Placement is conditional upon, *inter alia*, the receipt of the approval in-principle from the SGX-ST for the listing and quotation of the Placement Shares on Catalist. The Company will make the necessary announcement once the listing and quotation notice from the SGX-ST has been obtained.

4. Use of Net Proceeds

On the assumption that the Placement Shares are fully subscribed for, the estimated amount of proceeds from the Proposed Placement (net of the estimated expenses of approximately S\$90,000 in connection with the Proposed Placement) is expected to be approximately S\$2,910,000 (the “**Net Proceeds**”), of which:-

- (a) S\$1.8 million (or approximately 61.86% of the Net Proceeds) will be used to fund the proposed acquisition of the entire issued and paid-up share capital of PT Energy Indonesia Resources (“**PT Energy**”). Please refer to the Company’s announcement dated 9 November 2011 for further details on the proposed acquisition of PT Energy;
- (b) S\$0.7 million (or approximately 24.05% of the Net Proceeds) will be used to increase the share capital of PT Energy after the completion of the proposed acquisition of PT Energy; and
- (c) the balance will be applied towards the Group’s working capital.

Pending the deployment of the Net Proceeds for the abovementioned purposes, the Net Proceeds may be placed as deposits with banks or financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed, and provide a status report on the use of the Net Proceeds in the Company’s annual report.

5. Confirmation

The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. The Proposed Placement is undertaken by the Company primarily to fund the proposed acquisition of PT Energy as described in the “Use of Net Proceeds” section of this announcement.

The Directors are of the opinion that, after taking into consideration the present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

6. Financial Effects of the Proposed Placement

On the assumption that the Placement Shares are fully subscribed for, the Proposed Placement will increase the existing number of issued and paid-up Shares from 243,199,998 to 303,199,998.

For illustrative purposes only and based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2011, the financial effects of the Proposed Placement on the Group are set out below. The financial effects of the Proposed Placement have been prepared based on the assumptions that:-

- (i) the Proposed Placement is fully subscribed;
- (ii) the expenses incurred in the Proposed Placement are approximately S\$90,000; and

- (iii) the Placement Shares are issued on 1 April 2010 and the Net Proceeds are placed in a non-interest bearing account.

The proforma analysis below has been prepared solely for illustrative purpose only and does not purport to be indicative or a projection or an estimate of the financial results and financial positions of the Company and the Group immediately after the completion of the Proposed Placement.

	Weighted average number of fully-paid ordinary shares	Hong Kong Cents
<u>Earnings per Share</u>		
Before the Proposed Placement	243,199,998	0.67
After the Proposed Placement	303,199,998	1.14
<u>Net Tangible Assets per Share</u>		
Before the Proposed Placement	243,199,998	16.37
After the Proposed Placement	303,199,998	19.05

7. Interests of Directors and Substantial Shareholders

None of the Directors has any interest, direct or indirect, in the Proposed Placement, save through his shareholding in the Company (if any). The Directors are not aware of any substantial shareholder of the Company having any interest, direct or indirect, in the Proposed Placement and has not received any notification of any interest in the Proposed Placement from any substantial shareholder.

8. General

The Proposed Placement would not result in any transfer of controlling interest in the Company.

Pursuant to the Placement Agreement, the Placement Agent has undertaken, *inter alia*, that it will not offer the Placement Shares for sale to, or procure subscriptions of or make an invitation for the Placement Shares to or by any person in the categories set out in Rule 812 of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

9. Trading Caution

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

10. Directors' Responsibility Statement

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Suen Yiu Chung Dicky
Chief Executive Officer
9 November 2011

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited, for compliance with the relevant rules of the SGX-ST. Collins Stewart Pte. Limited 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, Managing Director, Corporate Finance, Collins Stewart Pte. Limited at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.