



SKY ONE HOLDINGS LIMITED

(formerly known as Semitech Electronics Ltd)
(Company Registration No : 198602949M)

Full-Year Unaudited Financial Statement And Dividend Announcement for the Year ended 31 March 2008

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.

On 28 January 2008, the Company completed its reverse acquisition by Sky One Network (Holding) Ltd (“SONHL”) whereby the Company is now the holding company of SONHL and its subsidiaries.

The Group adopts FRS 103 Business Combination to account for the reverse acquisition whereby SONHL is considered to have acquired the Company instead of the Company acquiring SONHL. The comparatives figures are those of SONHL and its subsidiaries instead of the Company and its former subsidiaries.

	Group		%
	FY2008 HK\$'000	FY2007 HK\$'000	Increase/ (Decrease)
Revenue	125,248	105,755	18.43
Cost of sales	<u>(69,964)</u>	<u>(60,577)</u>	15.50
Gross profit	55,284	45,178	22.37
Other income	546	911	(40.07)
Distribution and selling expenses	(5,247)	(4,585)	14.44
Administrative expenses	(26,485)	(20,156)	31.40
Finance costs	<u>(57)</u>	<u>(116)</u>	(50.86)
Profit before taxation	24,041	21,232	13.23
Taxation	<u>(5,084)</u>	<u>(3,763)</u>	35.10
Profit after taxation	<u>18,957</u>	<u>17,469</u>	8.52
Attributable to :			
Shareholders of the Company	<u>18,957</u>	<u>17,469</u>	8.52
Earning per share (cents)			
Basic	<u>9.95</u>	<u>9.70</u>	
Diluted	<u>9.95</u>	<u>9.70</u>	

The comparatives have been reclassified to conform with the current year's presentation.

NRA Capital Pte. Ltd. was the financial adviser to the Company in relation to the acquisition by the Company of the entire issued share capital of Sky One Network (Holding) Ltd. It assumes no responsibility for the contents of this announcement.

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

	Group		%
	FY2008 HK\$'000	FY2007 HK\$'000	Increase/ (Decrease)
Loss on disposal of intangible asset	-	99	(100.00)
Loss in exchange difference	292	55	>100.00
Depreciation of property, plant and equipment	2,521	1,206	>100.00
Bad trade receivables written off	84	17	>100.00
Gain on disposal of property, plant and equipment	(90)	-	100.00
Reversal of allowance for doubtful debts	-	(163)	(100.00)
Interest expense	57	116	(50.86)

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	
	31-Mar-08 HK\$'000	31-Mar-07 HK\$'000	31-Mar-08 HK\$'000	31-Dec-07 HK\$'000
Non-current assets				
Property, plant and equipment	10,166	8,747	-	-
Investments in subsidiaries	-	-	217,740	-
Goodwill	22,493	-	-	-
	<u>32,659</u>	<u>8,747</u>	<u>217,740</u>	<u>-</u>
Current assets				
Trade and other receivables	47,573	25,426	233	5,203
Available-for-sale assets	-	3,000	-	12,315
Cash and bank balances	5,593	6,928	163	-
	<u>53,166</u>	<u>35,354</u>	<u>396</u>	<u>17,518</u>
Total assets	<u>85,825</u>	<u>44,101</u>	<u>218,136</u>	<u>17,518</u>
Equity attributable to equity holders of the Company				
Share capital	16,353	390	298,323	85,740
Reserves	48,548	29,600	(87,508)	(84,546)
Total equity	<u>64,901</u>	<u>29,990</u>	<u>210,815</u>	<u>1,194</u>
Non-current liabilities				
Interest-bearing loans and borrowings	263	-	-	-
Deferred tax liabilities	379	87	-	-
	<u>642</u>	<u>87</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade and other payables	12,110	4,182	6,260	-
Interest-bearing loans and borrowings	470	419	-	-
Liabilities held for sale	-	-	-	12,941
Amounts owing to subsidiaries	-	-	1,061	3,383
Income taxes payables	7,702	9,423	-	-
	<u>20,282</u>	<u>14,024</u>	<u>7,321</u>	<u>16,324</u>
Total liabilities	<u>20,924</u>	<u>14,111</u>	<u>7,321</u>	<u>16,324</u>
Total equity and liabilities	<u>85,825</u>	<u>44,101</u>	<u>218,136</u>	<u>17,518</u>

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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 31 Mar 2008		As at 31 Mar 2007	
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Secured	Unsecured	Secured	Unsecured
470	-	419	-

(b) Amount repayable after one year

As at 31 Mar 2008		As at 31 Mar 2007	
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Secured	Unsecured	Secured	Unsecured
263	-	-	-

(c) Details of any collateral

Certain plant and equipment with an aggregate carrying amount of HK\$1,006,000 are pledged under existing finance lease arrangements (2007: HK\$447,000).

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	
	FY2008 HK\$'000	FY2007 HK\$'000
Cash flows from operating activities		
Profit before taxation	24,041	21,232
Adjustments for :		
Depreciation of property, plant and equipment	2,521	1,206
Reversal of allowance for doubtful debts	-	(163)
Bad trade receivables written off	84	17
Gain on disposal of property, plant and equipment	(90)	-
Loss on disposal of intangible asset	-	99
Interest expenses	57	116
Operating profit before working capital changes	26,613	22,507
(Increase) / decrease in :		
Trade and other receivables	(13,241)	(7,962)
Trade and other payables	(7,592)	(1,224)
Amount owing by directors	-	7,222
Cash generated from operations	5,780	20,543
Interest paid	(57)	(116)
Income taxes paid	(6,514)	-
Net cash (used in)/generated from operating activities	(791)	20,427

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

Cash flows from investing activities		
Proceeds from disposal of intangible asset	-	3,251
Proceeds from disposal of available-for-sale assets	3,000	-
Proceeds from disposal of property, plant and equipment	90	300
Purchases of property, plant and equipment	(3,939)	(343)
Expenditure on construction-in-progress	-	(7,334)
Net cash used in investing activities	(849)	(4,126)
Cash flows from financing activities		
Payment of dividends	-	(15,260)
Repayment of interest-bearing loans and borrowings	(665)	(3,414)
Proceeds from interest-bearing loans and borrowings	979	-
Net cash generated from/(used in) financing activities	314	(18,674)
Net decrease in cash and cash equivalents	(1,326)	(2,373)
Cash and cash equivalents at beginning of year	6,928	9,301
Effect of exchange rate fluctuations on cash held	(9)	-
Cash and cash equivalents at end of year	5,593	6,928

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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.

Group	Attributable to equity holders of the Company				
	Share Capital	Fair Value Reserve	Translation Reserves	Retained Earnings	Total Equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 April 2006	390	-	-	26,287	26,677
Net profit for the year	-	-	-	17,469	17,469
Unrealised gain on changes in fair value of available-for-sale assets	-	1,104	-	-	1,104
Total recognised gain	-	1,104	-	17,469	18,573
Dividend	-	-	-	(15,260)	(15,260)
Balance as at 31 March 2007	390	1,104	-	28,496	29,990
Net profit for the year	-	-	-	18,957	18,957
Transfer to retained earnings on realisation of available-for-sale assets	-	(1,104)	-	1,104	-
Increase of shares arising from reverse acquisition in accordance with FRS 103	21,119	-	-	-	21,119
Issue of shares in settlement of fees for the Financial Adviser (Note 1(d)(ii))	1,472	-	-	-	1,472
Cost of reverse takeover transactions	(6,628)	-	-	-	(6,628)
Currency translation differences	-	-	(9)	-	(9)
Balance as at 31 March 2008	16,353	-	(9)	48,557	64,901

For the current financial year, the board of directors proposed 0.78 Hong Kong cents per ordinary share. This dividend is subject to approval by shareholders at the Annual General Meeting.

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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 (continued).

Company	Share Capital HK\$'000	Accumulated Losses HK\$'000	Total Equity HK\$'000
Balance as at 1 January 2007	66,418	(76,203)	(9,785)
Net loss for the year	-	(8,343)	(8,343)
Capitalisation of loan	11,000	-	11,000
Placement of shares	7,920	-	7,920
Share option	402	-	402
Balance as at 31 December 2007	<u>85,740</u>	<u>(84,546)</u>	<u>1,194</u>
Net loss for the year	-	(2,962)	(2,962)
New shares issued in respect of reverse takeover	217,739	-	217,739
Settlement of expenses by way of new share issue	1,472	-	1,472
Cost of equity transactions	(6,628)	-	(6,628)
Balance as at 31 March 2008	<u><u>298,323</u></u>	<u><u>(87,508)</u></u>	<u><u>210,815</u></u>

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 Shares
At 1 January 2007	176,500,000
Capitalisation of shareholders' loan on 20 March 2007	50,000,000
Share Placement on 8 June 2007	20,000,000
Exercise of Share Options on 19 December 2007	<u>1,635,000</u>
At 31 December 2007 – Pre-Consolidation	248,135,000
Acquisition of Sky One Network (Holding) Ltd	719,800,000
Fee settlement by way of new share issue on 29 January 2008	<u>4,865,000</u>
At 29 January 2008 – Pre-Consolidation	972,800,000
At 29 January 2008- Post-Consolidation	243,199,998
At 31 March 2008 – Post-Consolidation	243,199,998

NRA Capital Pte. Ltd. was the financial adviser to the Company in relation to the acquisition by the Company of the entire issued share capital of Sky One Network (Holding) Ltd. It assumes no responsibility for the contents of this announcement.

On 28 December 2007, the Company sought and received shareholders' approval for the acquisition of the entire issued capital of Sky One Network (Holding) Ltd for a consideration of approximately S\$39.59 million to be satisfied by the allotment and issue of 719,800,000 new Shares in the capital of the Company at S\$0.055 per new Share. On Completion of the acquisition on 28 January 2008, the new Shares were issued, listed and quoted on the SGX-Catalist on 29 January 2008.

On 28 December 2007, the Company sought and received shareholders' approval for the issue and allotment of an aggregate of 4,865,000 new Shares to the Financial Adviser to the Company, NRA Capital Pte Ltd., in partial settlement of their fees in connection with the acquisition of the entire issued capital of Sky One Network (Holding) Ltd, at S\$0.055 per new Share. On Completion of the acquisition on 28 January 2008, the new Shares were issued, listed and quoted on the SGX-Catalist on 29 January 2008.

On 28 December 2007, the Company sought and received shareholders' approval for the consolidation of every four (4) shares into one (1) Consolidated Share. Consolidation of the shares was completed on 29 January 2008.

There were no outstanding share options as at the balance sheet date as the options were cancelled due to the resignation of employees and disposal of subsidiaries.

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.

Not applicable.

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.

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 adoption of the new FRS's did not result in any changes to the Group's and Company's accounting policies.

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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	
	FY2008 Hong Kong cents	FY2007 Hong Kong cents
Earnings per ordinary share of the Group for the period based on net profit attributable to shareholders : -		
Based on weighted average 190,491,666 ordinary shares (2007:179,950,000)	9.95	9.70
On a fully diluted basis	9.95	9.70

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	
	31-Mar-08 Hong Kong cents	31-Mar-08 Hong Kong cents	31-Mar-08 Hong Kong cents	31-Dec-07 Hong Kong cents
Net Asset Value per ordinary share based on issued share capital of 243,199,998 (31-Dec-07:227,215,767)	26.69	*N.M.	86.68	0.53

*N.M. means not meaningful. As the reverse acquisition was only completed on 28 January 2008, there is no meaningful Net Asset Value per ordinary share for the corresponding period of the preceding financial year for comparison.

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	FY2008		FY2007		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Express Land Transport	118,826	94.87	105,755	100.00	13,071	12.36
Airfreight	6,422	5.13	-	-	6,422	100.00
Total	125,248	100.00	105,755	100.00	19,493	18.43

Revenue rose 18.43% to HK\$125.2 million, mainly attributable to an increase in sales volume of Express Land Transport and a maiden contribution of HK\$6.4 million from the newly established Airfreight division. The Express Land Transport division handled 12,624,704 kilograms of sales in FY2008, a 25.8% increase from 10,039,489 kilograms of sales in FY2007.

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b) Gross Profit and Cost of Sales

Gross Profit by division	FY2008		FY2007		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Express Land Transport	54,620	98.80	45,178	100.00	9,442	20.90
Airfreight	664	1.20	-	-	664	100.00
Total	55,284	100.00	45,178	100.00	10,106	22.37

Gross Margin by division	FY2008	FY2007	Variance
	%	%	%
Express Land Transport	45.97	42.72	3.25
Airfreight	10.34	-	10.34
Total	44.14	42.72	1.42

Cost of Sales increased 15.50% to HK\$69.96 million and gross profit rose 22.37% to HK\$55.28 million. Gross margin improved by 1.42 percentage points mainly due to a 3.25% increase in the gross margin of the Express Land Transport division which was mitigated by the lower gross margin of the Airfreight division of 10.34%. The improvement in the gross margin of the Express Land Transport division was mainly due to cost savings on higher volume of goods handled.

c) Other Income

Other Income fell 40.07% to HK\$0.55 million as there was no reversal of allowance for doubtful trade receivables this year (2007: HK\$0.16 million) and no rental income from letting of taxi (2007: HK\$0.16 million) following the disposal of the taxi in the prior year.

c) Selling and Distribution Expenses

Selling and distribution expenses rose 14.44% to HK\$5.25 million primarily due to increase in head count associated with the expanded sales team.

d) Administrative Expenses

Group administrative expenses increased by 31.40% to HK\$26.49 million largely due to increase in support staff numbers and general salary increments in anticipation of higher business activity.

e) Profitability

Profit before tax increased by 13.23% to HK\$24.04 million mainly due both to increase in revenue and gross margins. The effective tax rate increased by 3.43% to 21.15% mainly due to one-off income tax payment installment plan surcharges incurred in the current year for the prior years in FY2005, FY2006 and FY 2007 as well as for current year. Nevertheless, the profit after tax attributable to shareholders has increased by 8.52% to HK\$18.96 million.

f) Cash and Borrowings

The group generated a cash inflow from operations of HK\$5.78 million in FY2008. This was offset by payment of current and prior years' income tax totaling HK\$6.51 million during the current financial year. As at 31 March 2008, the Group had cash and cash equivalents of HK\$5.59 million. Group interest-bearing loans and borrowings consisted entirely of outstanding finance lease liabilities totaling HK\$0.73 million as at 31 March 2008.

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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.

The group faces challenges such as the threat of a global economic slowdown and rising fuel costs.

However, the outlook for the logistics business is still promising. The Hong Kong – China logistics business which the group specialises in, remains vibrant as the Chinese market continues to open up.

The Group has put in place several strategic moves to position itself to meet the above challenges and grow. The Group will continue to seek ways to enhance its business through organic growth, alliances and M & A.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial year reported on?

Name of Dividend	Final
Dividend Type	Cash
Dividend rate	0.78 Hong Kong cents 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 year of the immediately preceding financial year?

None

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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

Not applicable.

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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

13(a) Business segments

	<u>Express Land Transport</u>		<u>Airfreight</u>		<u>Total</u>	
	<u>FY2008</u> <u>HK\$'000</u>	<u>FY2007</u> <u>HK\$'000</u>	<u>FY2008</u> <u>HK\$'000</u>	<u>FY2007</u> <u>HK\$'000</u>	<u>FY2008</u> <u>HK\$'000</u>	<u>FY2007</u> <u>HK\$'000</u>
Revenue	118,826	105,755	6,422	-	125,248	105,755
Results:						
Segment results	54,620	45,178	664	-	55,284	45,178
Other income					546	911
Selling and Distribution expenses					(5,247)	(4,585)
Administrative expenses					(26,485)	(20,156)
Finance costs					(57)	(116)
Taxation					(5,084)	(3,763)
Profit attributable to shareholders					18,957	17,469
Assets:						
Unallocated assets					85,825	44,101
Total assets					85,825	44,101
Liabilities:						
Unallocated liabilities					20,924	14,111
Total liabilities					20,924	14,111
Other information:						
Capital expenditure					3,939	7,827
Depreciation and amortisation					2,521	1,206

13(b) Geographical segments

All the Group's assets and liabilities are substantially located in Hong Kong and all of the activities and customers of the Group are substantially based in Hong Kong. Accordingly, no geographical segment information is presented.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable

15. A breakdown of sales.

Revenue by division	FY2008		FY2007		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Express Land Transport	118,826	94.87	105,755	100.00	13,071	12.36
Airfreight	6,422	5.13	-	-	6,422	100.00
Total	125,248	100.00	105,755	100.00	19,493	18.43

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total annual Dividend

	Latest Full Year 2008	Previous Full Year 2007
	HK\$'000	HK\$'000
Ordinary	1,897	0
Total	1,897	0

By Order of the Board

Dicky Suen Yiu Chung
Chief Executive Officer
26 May 2008