

SKY ONE HOLDINGS LIMITED

(Company Registration Number 198602949M)
(Incorporated in the Republic of Singapore)

SALE AND PURCHASE AGREEMENT RELATING TO THE PROPOSED ACQUISITION BY SKY ONE HOLDINGS LIMITED (THE "COMPANY" OR "SKY ONE") FROM MR. JOHNSON HSIEH OF (I) SHARE INTERESTS COMPRISING 50.1% IN THE CAPITAL OF CHINA JET EXPRESS GROUP LIMITED (亨達航空貨運集團有限公司) AND (II) SHARE INTERESTS COMPRISING 50.1% IN THE CAPITAL OF 亨達航空貨運承攬股份有限公司 (THE "PROPOSED ACQUISITION")

Further to the announcement made by the Board of Directors of the Company (the "**Board**") on 22 July 2008, the Board wishes to announce that the Company has on 31 October 2008 entered into a sale and purchase agreement (the "**SPA**") with Mr. Johnson Hsieh (the "**Vendor**") to acquire from the Vendor (i) 7,515,000 shares in or shareholding interest comprising 50.1% of the total issued and paid up share capital of China Jet Express Group Limited (亨達航空貨運集團有限公司) (Hong Kong Company Registration Number 0275306) (the "**Hong Kong Sale Company**") and (ii) 3,557,100 shares in or shareholding interest comprising 50.1% of the total issued and paid up share capital of 亨達航空貨運承攬股份有限公司 (Taiwan Company Registration Number: 23313546) (the "**Taiwan Sale Company**") (collectively, the "**Sale Shares**").

The Hong Kong Sale Company, the Subsidiaries (defined in Section 4.2 below) and the Taiwan Sale Company shall be collectively referred to as "**JET INTERNATIONAL**".

1. Purchase Consideration and Terms of Payment

1.1 Pursuant to the SPA and subject to section 3.2, the Company will acquire the Sale Shares at the lower of (i) ten (10) times of the FY2008 Profits (defined in Section 2 below), multiplied by 50.1% and (ii) HK\$65,000,000 (the "**Purchase Consideration**"), which shall be satisfied in the following manner:-

- (a) 45% of the Purchase Consideration shall be satisfied in cash in Hong Kong dollars, ("**Cash Consideration**") and payable by the Company to the Vendor in accordance with the schedule below:-
 - (1) 40% of the Cash Consideration shall be payable within seven (7) days from the day of completion of the SPA ("**Completion**");
 - (2) 30% of the Cash Consideration shall be payable within six (6) months from the day of Completion; and
 - (3) the remaining 30% of the Cash Consideration shall be payable within twelve (12) months from the day of Completion; and
- (b) the remaining 55% of the Purchase Consideration (using the Singapore dollar equivalent of such amount, based on the S\$:HK\$ exchange rate published on Bloomberg News on the date of the SPA, being S\$1.00 : HK\$5.2243) shall be satisfied by way of the Company issuing and allotting to the Vendor, credited as fully paid up, such number of new ordinary shares in the capital of the Company ("**Consideration Shares**") at an issue price of S\$0.15 per Consideration Share, provided the number of Consideration Shares to be issued and allotted to the Vendor shall not be more than 45,620,147 shares in the aggregate (the "**Proposed Issue of Consideration Shares**"). The Consideration Shares shall rank *pari passu* in all respects as the other issued ordinary shares in the capital of the Company.

1.2 The Purchase Consideration was arrived at, following arms' length negotiations between the Company and the Vendor, on a willing buyer willing seller basis after taking into account, *inter alia*, the rationale for the Proposed Acquisition and the terms and conditions of the SPA.

1.3 The intention of the Company is to finance the Cash Consideration through additional funding or financing to be obtained by the Company as further set out under Section 2 below.

2. Conditions Precedent of the SPA

Completion of the SPA is conditional upon, *inter alia*,:-

- (i) the Company and/or its advisors and representatives (including but not limited to the auditors) having completed legal, financial and technical due diligence ("**Due Diligence Exercise**") on JET INTERNATIONAL and being satisfied with the results of the same (as determined in its sole and absolute discretion);
- (ii) no material qualifications or issues to note being raised by the auditors in connection with their audit, the FY2007 Audited Accounts (defined below) and/or the FY2008 Audited Accounts (defined below), and the Company being satisfied with the financial results, financial condition and affairs of JET INTERNATIONAL as reported in the FY2007 Audited Accounts and the FY2008 Audited Accounts (as determined in its sole and absolute discretion);
- (iii) the Company having been satisfied that based on the FY2007 Audited Accounts, the FY2007 Profits (defined below) is not less than HK\$5,500,000;
- (iv) the Company having been satisfied that based on the FY2008 Audited Accounts, the FY2008 Profits (defined below) is not less than HK\$8,500,000;
- (v) on or prior to Completion, each of the key executives of JET INTERNATIONAL having entered into employment contracts with the Company, undertaking to remain in the employment of his respective company(s) in JET INTERNATIONAL for a minimum period of three (3) years from the date of Completion;
- (vi) on or prior to Completion, the Company having secured and obtained sufficient financing or funding to enable it to make full payment of the Cash Consideration, on terms and conditions satisfactory to the Company. For the avoidance of doubt, the Company shall have sole and absolute discretion in arranging for and deciding upon the manner and terms of such financing or funding required, which may be by way of an issue of convertible bonds and, if applicable, conversion shares (the "**Conversion Shares**") or other forms of debt or equity or a combination of both, or any other means, and in the event that the Company decides to carry out an issue of convertible bonds, and, if applicable, the Conversion Shares, for the purposes of the Cash Consideration, the Company having obtained all necessary approvals and consents in connection with the issue of convertible bonds and, if applicable, the Conversion Shares, and the Vendor shall not have any recourse or claims against the Company whatsoever for the non-fulfilment of this condition precedent including but not limited to any action taken or omission on its part in connection with the fulfilment or otherwise of this condition precedent;
- (vii) the Company having obtained the approval in-principle for the listing and quotation of the Consideration Shares and, if applicable, the Conversion Shares, from the SGX-ST; and

- (viii) the Company having obtained the approval of its shareholders (“**Shareholders**”) in respect of all transactions contemplated by the SPA (including but not limited to the Proposed Acquisition and the Proposed Issue of Consideration Shares and, if applicable, the proposed issue of the Conversion Shares).

If the conditions precedent are not satisfied or waived on or before 31 March 2009 (or such other later date as the Company and the Vendor may agree), the SPA shall *ipso facto* cease and determine thereafter and save for any antecedent breach or default, none of the parties shall have any claim against the other party for costs, expenses, damages, losses, compensation or otherwise, subject to Section 3.4 below.

For purposes herein:-

“**FY2007 Audited Accounts**” means the audited consolidated financial statements of the Hong Kong Sale Company and the audited financial statements of the Taiwan Sale Company for the financial year ended 31 December 2007 and shall include the directors’ and auditors’ reports, balance sheets and profit and loss accounts and related notes and all documents which are required by law and International Financial Reporting Standards to be annexed to the FY2007 Audited Accounts.

“**FY2007 Profits**” means, based on the FY2007 Audited Accounts, the combined audited consolidated NPAT of the Hong Kong Sale Company and the audited NPAT of the Taiwan Sale Company.

“**FY2008 Audited Accounts**” means the audited consolidated financial statements of the Hong Kong Sale Company and the audited financial statements of the Taiwan Sale Company for the financial year ending 31 December 2008 and shall include the directors’ and auditors’ reports, balance sheets and profit and loss accounts and related notes and all documents which are required by law and International Financial Reporting Standards to be annexed to the FY2008 Audited Accounts.

“**FY2008 Profits**” means, based on the FY2008 Audited Accounts, the combined audited consolidated NPAT of the Hong Kong Sale Company and the audited NPAT of the Taiwan Sale Company.

“**NPAT**” means net profit after tax, excluding extraordinary items, profit on sale of property, plant and equipment and any write-back on provision for diminution of property plant and equipment of JET INTERNATIONAL (if any).

3. Other Salient Terms of the SPA

3.1 The Vendor has undertaken that:

- (i) 50% of the Consideration Shares shall be held by the Vendor subject to a moratorium for a period of six (6) months from the day of Completion whereby the Vendor shall not sell, transfer or otherwise dispose of or create any charge, pledge, mortgage, lien, security interest or otherwise encumber any of the Consideration Shares under moratorium (or any interest therein) during the relevant moratorium period; and
- (ii) the remaining 50% of the Consideration Shares shall be held by the Vendor subject to a moratorium for a period of twelve (12) months from the day of Completion whereby the Vendor shall not sell, transfer or otherwise dispose of or create any charge, pledge, mortgage, lien, security interest or otherwise encumber any of the Consideration Shares under moratorium (or any interest herein) during the relevant moratorium period.

3.2 In the event that the actual FY2008 Profits shall be less than HK\$8,500,000, the Company and the Vendor agree that the Company shall be entitled:-

- (i) to terminate the SPA and withdraw from all transactions contemplated under the SPA; and/or
- (ii) to elect to complete the acquisition of the Sale Shares on terms and conditions to be agreed upon between the Company and the Vendor PROVIDED THAT the Purchase Consideration shall be adjusted in the following manner:-
 - (a) in the event that the actual FY2008 Profits shall be less than HK\$8,500,000 but more than HK\$7,000,000, the Purchase Consideration shall be nine (9) times of the FY2008 Profits, multiplied by 50.1%; or
 - (b) in the event that the actual FY2008 Profits shall be HK\$7,000,000 or less, the Purchase Consideration shall be eight (8) times of the FY2008 Profits, multiplied by 50.1%; and/or
- (iii) to elect to complete the acquisition of the Sale Shares at the Purchase Consideration subject to the Vendor fully indemnifying the shortfall of the actual FY2008 Profits from HK\$8,500,000 by payment of an amount equivalent to such shortfall into the Hong Kong Sale Company and/or the Taiwan Sale Company in full with cash without any set off, deduction or withholding whatsoever and in a manner to the satisfaction of the Company.

3.3 The Company is entitled to exercise an option to purchase ("**Call Option**") from the Vendor any or all the Call Option Shares (defined below) exercisable any time and from time to time during a period of two (2) years from the date of Completion ("**Call Option Period**") and on other terms and conditions to be agreed upon between the Company and the Vendor (including the consideration payable for the Call Option Shares and the terms of payment therefor). The Vendor has also agreed that he shall not sell and/or transfer, give or create any encumbrances on all or part of any shares (or any interest therein) in the capital of the Hong Kong Sale Company and/or the Taiwan Sale Company (as the case may be) held by him after Completion until after the expiry of the Call Option Period.

"**Call Option Shares**" means (i) 3,835,500 shares in or shareholding interest comprising 25.57% of the total issued and paid up share capital of the Hong Kong Sale Company and (ii) 1,482,480 shares in or shareholding interest comprising 20.88% of the total issued and paid up share capital of the Taiwan Sale Company, being the remaining shareholding interest in the Hong Kong Sale Company and the Taiwan Sale Company which the Vendor owns or will own following the completion of the Proposed Acquisition respectively.

3.4 Separately, an escrow agreement (the "**Escrow Agreement**") will be entered into between, *inter alia*, the Company and the Vendor whereby the Vendor will deliver and deposit with the escrow agent appointed thereunder, a sum of HK\$1,000,000 (the "**Escrow Sum**").

The Vendor has undertaken that in the event any of the following events shall occur:-

- (i) the actual FY2007 Profits shall be less than HK\$5,500,000;
- (ii) the actual FY2008 Profits shall be less than HK\$8,500,000;
- (iii) there is any material qualification or issues to note raised by the auditors in the FY2007 Audited Accounts and/or the FY2008 Audited Accounts; or

- (iv) the findings of any of the Due Diligence Exercise is not satisfactory to any of the professionals appointed for the purposes of the Due Diligence Exercise or the Company,

the Vendor shall indemnify the Company for all costs and expenses incurred by the Company in relation to, *inter alia*, the Due Diligence Exercise, the negotiation and/or preparation of the SPA and the Escrow Agreement and the Company may, *inter alia*, demand for release and payment of the Escrow Sum to itself in satisfaction of the same.

4. About JET INTERNATIONAL

The information presented herein and in other sections of this announcement relating to information on JET INTERNATIONAL is based on information provided by the Vendor and/or JET INTERNATIONAL.

JET INTERNATIONAL's Group and Shareholding Structure

- 4.1 The Hong Kong Sale Company is a private company limited by shares incorporated in Hong Kong and has at the date of the SPA an issued and paid-up share capital of HK\$15,000,000 consisting of 15,000,000 ordinary shares of par value HK\$1 each, of which 75.67% is legally and beneficially owned by the Vendor, 19.33% is legally and beneficially owned by the Taiwan Sale Company and the remaining 5% is legally and beneficially owned by the family of the Vendor as at the date of the SPA.
- 4.2 The Hong Kong Sale Company is and will on Completion be the legal and beneficial owner, free from all charges, liens and other encumbrances, of each of the following:-
- (i) 100% shareholdings in the capital of 特极国际储运有限公司 (PRC Company Registration Number 315327), a private company limited by shares incorporated and domiciled in the PRC and which has at the date of the SPA an issued and fully paid up share capital of RMB8,000,000;
 - (ii) 100% shareholding in the capital of 捷特亨达货运代理（上海）有限公司 (PRC Company Registration Number 040334), a private company limited by shares incorporated and domiciled in the PRC and which has at the date of the SPA an issued and fully paid up share capital of RMB6,000,000; and
 - (iii) 75% shareholding in the capital of 亨達国际貨運代理有限公司 (PRC Company Registration Number 033641), a private company limited by shares incorporated and domiciled in the PRC and which has at the date of the SPA an issued and fully paid up share capital of RMB8,273,028.94. The remaining 25% of the capital is legally and beneficially owned by 捷特亨达货运代理（上海）有限公司,
- (collectively, 特极国际储运有限公司, 捷特亨达货运代理（上海）有限公司 and 亨達国际貨運代理有限公司 are referred to as the “**Subsidiaries**”).
- 4.3 The Taiwan Sale Company is a private company limited by shares incorporated in Taiwan and has at the date of the SPA an issued and fully paid up share capital of NTD71,000,000 consisting of 7,100,000 ordinary shares of par value NTD10 each, of which 70.98% is legally and beneficially owned by the Vendor and the remaining 29.02% is legally and beneficially owned by the family of the Vendor as at the date of the SPA.

JET INTERNATIONAL'S History and Business

- 4.4 JET INTERNATIONAL was founded in 1989 and was among the first companies to provide logistic services in the PRC, Hong Kong and Taiwan. JET INTERNATIONAL started its operations in Taiwan but when the PRC began to free up its economy, it expanded into the PRC and currently it has over 40 point of sale (“**POS**”) branches spread over major cities across the PRC, Hong Kong and Taiwan. It currently has approximately 800 employees and owns a fleet of over 400 vehicles in the PRC.

JET INTERNATIONAL's principal business involves the provision of logistics services and warehousing facilities. It uses both Shanghai and Shenzhen as its transshipment hubs and logistics bases for all deliveries into and out of the PRC. As for deliveries into and out of Taiwan, it uses Taoyuan as its transshipment hub and logistics base.

- 4.5 The unaudited combined net book value and the unaudited combined net tangible asset value of the Hong Kong Sale Company and the Taiwan Sale Company for the financial year ended 31 December 2007 was approximately HK\$61.4 million and HK\$61.4 million respectively.

The unaudited combined net profits attributable to shareholders of the Hong Kong Sale Company and the Taiwan Sale Company for the financial year ended 31 December 2007 was approximately HK\$5.9 million.

5 Rationale for the Proposed Acquisition

- 5.1 The directors of the Company (the “**Directors**”) are of the view that the Proposed Acquisition is in the best interest of the Group for the following reasons:

- (i) Expansion of Sky One's logistics services business into the PRC Market

Sky One believes that total expenditure on logistics in China will continue to grow over time, driven by international trade and a government focus on upgrading China's logistics infrastructure. Sky One has been actively considering opportunities to expand its business into the PRC market, including organic expansion as well as strategic alliances and joint ventures, both locally and regionally. The Proposed Acquisition provides Sky One with the opportunity to build its customer base and expand its business network in China quickly, as opposed to organic expansion growth through setting up its own POS branches over the key areas in China to establish a wider network.

- (ii) Strong strategic fit between Sky One and JET INTERNATIONAL

Sky One is of the view that there is a strong strategic fit between Sky One and JET INTERNATIONAL. The Proposed Acquisition will enable Sky One to expand and strengthen its provision of integrated logistics services and customised delivery solutions in Greater China and would help position Sky One and its subsidiaries (the “**Group**”) to be a leading provider of postal solutions and services in the region.

More specifically, the Proposed Acquisition will enhance Sky One's competitiveness as follows:-

- a. Expand Sky One's business network in China

The Hong Kong Sale Company, through its subsidiaries, has over 40 POS branches covering many key strategic areas in China. These branches have been established for many years in China and are already income-generating. With the Proposed Acquisition, Sky One will gain control over these 40 or more POS branches and will immediately be able to scale its business operations with the enlarged business network.

b. Less reliance on third party service providers

Currently, Sky One operates its own delivery services from Hong Kong to Shenzhen and for deliveries beyond Shenzhen, it outsources such deliveries to third parties. With third party service providers, Sky One would generally have to incur higher cost for its customers' deliveries. With the Proposed Acquisition, Sky One will be able to access the Hong Kong Sale Company's branch network for deliveries outside Shenzhen instead of relying on third party service providers, thereby reducing the operating costs of deliveries and also having better control of the delivery process.

c. Expand and diversify customer base

Currently Sky One has a customer base of approximately 8,000 and JET INTERNATIONAL has a customer base of approximately 20,000 with minimal overlap between the two groups of customers. The Proposed Acquisition will enable Sky One to expand and diversify its customer base and cross sell its facilities and capabilities to both groups of customers.

d. Acquire a PRC Class 1 Logistics Licence

A PRC Class 1 Logistics Licence allows a company to act as a warehousing and tax clearance centre for goods entering into China. Currently, Sky One does not possess such a licence and a majority of its deliveries from Hong Kong into China are transported to a third party service provider for the requisite custom clearance services who is a key supplier of custom clearance services to Sky One.

The Hong Kong Sale Company currently holds a Class 1 Logistics Licence. With the Proposed Acquisition, Sky One will have direct control of this licence and will be less reliant on third parties for custom clearance services.

e. Immediate access to the Taiwan market

Currently, Sky One does not have any network in Taiwan whereas the Taiwan Sale Company has an established network in Taiwan. With the Proposed Acquisition, Sky One will have immediate access to the Taiwan market and shall be making its first step in expanding its business beyond Hong Kong and China.

Besides having access to the Taiwan market, the Taiwan Sale Company currently has a 7% equity interest in 中華快遞(股)公司 (Chung-Hwa Express Co., Ltd, a company related to the national post office of Taiwan. Chung-Hwa Express Co., Ltd outsources its Taiwan-PRC courier services to the Taiwan Sale Company through a shareholder agreement whereby the Taiwan Sale Company shall have the exclusive right to provide the Taiwan-PRC courier services and also the first right of refusal on the courier service. This agreement is up for renewal in middle of year 2009.

5.2 Following the Proposed Acquisition, it is anticipated that JET INTERNATIONAL will also provide support to the business development of the Group in Greater China.

6 Relative Figures under Listing Manual Rule 1006

6.1 The relative figures computed on the bases pursuant to Rule 1006 (a) to (d) of the Listing Manual of the SGX-ST (the “**Listing Manual**”) are set out as follows:-

Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the group’s net asset value.	Not applicable
Rule 1006(b)	The net profits ⁽¹⁾ attributable to the assets acquired, compared with the group’s net profits.	15.63% ⁽²⁾
Rule 1006(c)	The aggregate value of the consideration given, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares.	99.73% ⁽³⁾
Rule 1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	18.76% ⁽⁴⁾

Notes:

- (1) Under Rule 1002(3)(b), “net profits” means profit or loss before income tax, minority interests and extraordinary items.
- (2) Determined by dividing the unaudited consolidated net profit of the combined management accounts of the Hong Kong Sale Company and the Taiwan Sale Company for the financial year ended 31 December 2007 of HK\$7.5 million multiplied by 50.1% and the latest announced audited consolidated net profit of the Company for the financial year ended 31 March 2008 of HK\$24.04 million.
- (3) Determined by dividing the S\$ equivalent of the maximum Purchase Consideration of HK\$65.0 million (or S\$12.44 million , based on an exchange rate of S\$1: HK\$5.2243) by the market capitalisation of the Company of approximately S\$12.48 million as at 30 October 2008 (being the market day preceding the date of the SPA).

The market capitalisation of the Company is determined by multiplying the number of shares in issue of 243,199,198 by the weighted average price of such shares of S\$0.0513 transacted on 30 October 2008, being the market day preceding the date of the SPA.
- (4) Assuming the issue of 45,620,147 Consideration Shares, obtained by dividing 55% of the S\$ equivalent of the maximum Purchase Consideration of HK\$65.0 million (or S\$12.44 million, based on an exchange rate of S\$1: HK\$5.2243) by the issue price of S\$0.15 per Consideration Share, and dividing the 45,620,147 Consideration Shares by the issued share capital of the Company prior to the Proposed Acquisition of 243,199,998 shares.

6.2 In view of the relative figures set out in Rules 1006(c) above which exceed the 20% threshold, the Proposed Acquisition will constitute a “Major Transaction” to the Company within the meaning of Chapter 10 of the Listing Manual and subject to Shareholders’ approval at an extraordinary general meeting of the Company (“**EGM**”).

6.3 Based on the maximum Purchase Consideration, the Consideration Shares will constitute approximately 15.80% of the enlarged issued and paid up share capital of the Company after the issue thereof.

6.4 Rules 1014 and 805 of the Listing Manual also require the approval of Shareholders in general meeting to be obtained in respect of the Proposed Acquisition and the Proposed Issue of Consideration Shares respectively.

7 Financial Effects of the Proposed Acquisition and the Proposed Issue of Consideration Shares

For illustration purposes only, the financial effects of the Proposed Acquisition and the Proposed Issue of Consideration Shares on the Company set out below were prepared based on the audited consolidated financial statements of the Company for the financial year ended 31 March 2008 and the unaudited combined management financial statements of the Hong Kong Sale Company and the Taiwan Sale Company for the financial year ended 31 December 2007 and subject to the following main assumptions:-

- (i) The Purchase Consideration shall be determined at the lower of (i) ten (10) times of the FY2008 Profits, multiplied by 50.1% and (ii) HK\$65,000,000. As at the date of the announcement, the FY2008 Profits could not be determined. For the purpose of the financial effects, the Purchase Consideration shall be assumed to be HK\$65,000,000 and the number of Consideration Shares to be issued shall be assumed to be 45,620,147 Shares, obtained by dividing 55% of the S\$ equivalent of the Purchase Consideration of HK\$65.0 million (or S\$12.44 million, based on an exchange rate of S\$1: HK\$5.2243) by the issue price of S\$0.15 per Consideration Share;
- (ii) For the purpose of computing the earnings per share of the Group after the Proposed Acquisition and the Proposed Issue of Consideration Shares, it is assumed that the Proposed Acquisition and the Proposed Issue of Consideration Shares had been completed on 1 April 2007;
- (iii) For the purpose of computing the net tangible assets per share of the Group after the Proposed Acquisition and the Proposed Issue of Consideration Shares, it is assumed that the Proposed Acquisition and the Proposed Issue of Consideration Shares had been completed on 31 March 2008; and
- (iv) An estimated amount of HK\$2.6 million was provided for professional and financing fees under the transaction.

The financial effects set out below are theoretical in nature and are therefore not necessarily reflective of the results of the Group or the related effect on the financial position that the Group would attain had the Proposed Acquisition and the Proposed Issue of Consideration Shares taken place in accordance with the main assumption set out herein.

(a) Issued Share Capital

	Issued and paid-up share capital	
	Number of shares ('000)	HK\$'000
Before the Proposed Acquisition and the Proposed Issue of Consideration Shares	243,200	298,323
Proposed Issue of Consideration Shares	45,620	35,750
After Completion of the Proposed Acquisition and the Proposed Issue of Consideration Shares	288,820	334,073

(b) Earnings per Share (“EPS”)

	Earnings attributable to shareholders – (HK\$'000)	Weighted average number of shares (‘000)	EPS – (Hong Kong cents)
Before the Proposed Acquisition and the Proposed Issue of Consideration Shares	18,957	190,492	9.95
After Completion of the Proposed Acquisition and the Proposed Issue of Consideration Shares	19,744	236,112	8.36

(c) Net Tangible Asset (“NTA”)

	NTA (HK\$'000)	Number of shares (‘000)	NTA per share (Hong Kong cents)
Before the Proposed Acquisition and the Proposed Issue of Consideration Shares	42,408	243,200	17.44
After Completion of the Proposed Acquisition and the Proposed Issue of Consideration Shares	41,332	288,820	14.31

8 Interests of Directors and Controlling Shareholders

None of the Directors has any interest, direct or indirect, in the Proposed Acquisition. To the best knowledge of the Directors, none of the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

9. Service Contracts of Directors

There are no Directors who are proposed to be appointed to the Company in connection with the Proposed Acquisition.

Pursuant to the SPA, the Company shall be entitled to appoint three (3) replacement directors and the Vendor shall be entitled to appoint two (2) replacement directors to the board of each of the Hong Kong Sale Company and the Taiwan Sale Company on or prior to Completion.

10. Document for Inspection

A copy of the SPA and the Escrow Agreement is available for inspection during normal office hours at the Company's registered office at 333 North Bridge Road, #08-00 KH KEA Building, Singapore 188721 for three (3) months from the date of this announcement.

11. EGM to be convened to approve Proposed Acquisition

An EGM will be convened to seek approval of Shareholders for the aforesaid transactions, in particular, (i) the Proposed Acquisition; and (ii) the Proposed Issue of Consideration Shares, and a circular containing further details of these transactions and enclosing the notice of the EGM to be convened in connection therewith will be despatched to Shareholders in due course. The Company will make further announcements in relation to the Proposed Acquisition as and when appropriate.

By Order of the Board

Dicky Suen Yiu Chung
Chief Executive Officer
Date: 1 November 2008

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.