



# SKY ONE HOLDINGS LIMITED

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

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

	Group		% Increase/ (Decrease)
	6 months ended 30 Sep 08 HK\$'000	6 months ended 30 Sep 07 HK\$'000	
<b>Revenue</b>	64,818	57,416	12.89
Cost of sales	(40,141)	(32,843)	22.22
<b>Gross profit</b>	24,677	24,573	0.42
Other income	1,036	252	N.M.
Distribution and selling expenses	(2,622)	(2,486)	5.47
Administrative expenses	(16,072)	(13,374)	20.17
Finance costs	(61)	(25)	N.M.
<b>Profit before taxation</b>	6,958	8,940	(22.17)
Taxation	(1,362)	(1,864)	(26.93)
<b>Profit after taxation</b>	5,596	7,076	(20.92)
Attributable to :			
Shareholders of the Company	5,596	7,076	(20.92)
<b>Earning per share (cents)</b>			
Basic	2.30	3.93	
Diluted	2.30	3.93	

N.M. – Not Meaningful

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

	Group		%
	6 months ended 30 Sep 08 HK\$'000	6 months ended 30 Sep 07 HK\$'000	
Loss in exchange difference	337	213	58.22
Depreciation of property, plant and equipment	1,307	1,229	6.35
Bad trade receivables written off	170	65	N.M.
Gain on disposal of property, plant and equipment	(823)	(30)	N.M.
Interest expense	61	25	N.M.

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-08 HK\$'000	31-Mar-08 HK\$'000	30-Sep-08 HK\$'000	31-Mar-08 HK\$'000
<b>Non-current assets</b>				
Property, plant and equipment	10,363	10,166	-	-
Investments in subsidiaries	-	-	217,740	217,740
Goodwill	22,493	22,493	-	-
	<u>32,856</u>	<u>32,659</u>	<u>217,740</u>	<u>217,740</u>
<b>Current assets</b>				
Trade and other receivables	52,063	47,573	444	233
Cash and cash equivalents	3,323	5,593	93	163
	<u>55,386</u>	<u>53,166</u>	<u>537</u>	<u>396</u>
<b>Total assets</b>	<u><b>88,242</b></u>	<u><b>85,825</b></u>	<u><b>218,277</b></u>	<u><b>218,136</b></u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	298,323	298,323	298,323	298,323
Reserves	(281,946)	(281,979)	121	-
Accumulated profits/(losses)	52,363	48,557	(88,467)	(87,508)
<b>Total equity</b>	<u>68,740</u>	<u>64,901</u>	<u>209,977</u>	<u>210,815</u>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	1,257	263	-	-
Deferred tax liabilities	504	379	-	-
	<u>1,761</u>	<u>642</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Trade and other payables	13,377	12,110	5,918	6,260
Interest-bearing loans and borrowings	2,010	470	-	-
Amounts owing to subsidiaries	-	-	2,382	1,061
Income taxes payables	2,354	7,702	-	-
	<u>17,741</u>	<u>20,282</u>	<u>8,300</u>	<u>7,321</u>
<b>Total liabilities</b>	<u>19,502</u>	<u>20,924</u>	<u>8,300</u>	<u>7,321</u>
<b>Total equity and liabilities</b>	<u><b>88,242</b></u>	<u><b>85,825</b></u>	<u><b>218,277</b></u>	<u><b>218,136</b></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 2008		As at 31 Mar 2008	
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Secured	Unsecured	Secured	Unsecured
2,010	-	470	-

**(b) Amount repayable after one year**

As at 30 Sep 2008		As at 31 Mar 2008	
HK\$'000	HK\$'000	HK\$'000	HK\$'000
Secured	Unsecured	Secured	Unsecured
1,257	-	263	-

**(c) Details of any collateral**

Certain plant and equipment with an aggregate carrying amount of HK\$781,000 (31 Mar 2008: HK\$1,006,000) are pledged under existing finance lease arrangements which have an outstanding balance of HK\$502,000 (31 Mar 2008: HK\$733,000).

Outstanding bank borrowing amounting to HK\$2,765,000 is secured by a corporate guarantee given by a subsidiary of the Company, Sky One Network (Holding) Ltd (31 Mar 2008: Nil).

**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 08 HK\$'000	6 months ended 30 Sep 07 HK\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	6,958	8,940
Adjustments for :		
Depreciation of property, plant and equipment	1,307	1,229
Bad trade receivables written off	170	65
Gain on disposal of property, plant and equipment	(823)	(30)
Interest expenses	61	25
<b>Operating profit before working capital changes</b>	7,673	10,229
(Increase) / decrease in :		
Trade and other receivables	(4,659)	(21,103)
Trade and other payables	1,267	10,023
<b>Cash generated from/(used in) operations</b>	4,281	(851)
Interest paid	(61)	(25)
Income taxes paid	(6,585)	(500)
<b>Net cash used in operating activities</b>	(2,365)	(1,376)

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).**

<b>Cash flows from investing activities</b>		
Proceeds from disposal of available-for-sale assets	-	3,000
Proceeds from disposal of property, plant and equipment	597	30
Purchases of property, plant and equipment	(1,279)	(3,334)
<b>Net cash used in investing activities</b>	<b>(682)</b>	<b>(304)</b>
<b>Cash flows from financing activities</b>		
Payment of dividends	(1,790)	-
Proceeds from interest-bearing loans and borrowings	3,000	553
Payment of interest-bearing loans and borrowings	(466)	(429)
<b>Net cash generated from financing activities</b>	<b>744</b>	<b>124</b>
Net decrease in cash and cash equivalents	(2,303)	(1,556)
Cash and cash equivalents at 31 March	5,593	6,928
Effect of exchange rate fluctuations on cash held	33	-
<b>Cash and cash equivalents at end of 30 September</b>	<b>3,323</b>	<b>5,372</b>

**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 HK\$'000	Capital reserve HK\$'000	Fair Value Reserve HK\$'000	Translation Reserves HK\$'000	Retained Earnings HK\$'000	Total Equity HK\$'000
<b>Balance as at 1 April 2007</b>	390	-	1,104	-	28,496	29,990
Net profit for the period	-	-	-	-	7,076	7,076
Transfer to retained earnings on realisation of available-for-sale assets	-	-	(1,104)	-	1,104	-
<b>Balance as at 30 September 2007</b>	390	-	-	-	36,676	37,066
Net profit for the period	-	-	-	-	11,881	11,881
Increase of shares arising from reverse acquisition in accordance with FRS 103	303,089	(281,970)	-	-	-	21,119
Issue of shares in settlement of fees to the Financial Adviser	1,472	-	-	-	-	1,472
Cost of reverse takeover transactions	(6,628)	-	-	-	-	(6,628)
Currency translation differences	-	-	-	(9)	-	(9)
<b>Balance as at 31 March 2008</b>	298,323	(281,970)	-	(9)	48,557	64,901
Net profit for the period	-	-	-	-	5,596	5,596
Dividends	-	-	-	-	(1,790)	(1,790)
Currency translation differences	-	-	-	33	-	33
<b>Balance as at 30 September 2008</b>	298,323	(281,970)	-	24	52,363	68,740

**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).**

<b>Company</b>	<b>Share Capital HK\$'000</b>	<b>Translation Reserves HK\$'000</b>	<b>Accumulated Losses HK\$'000</b>	<b>Total Equity HK\$'000</b>
<b>Balance as at 1 January 2008</b>	85,740	-	(84,546)	1,194
Net loss for the period	-	-	(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)
<b>Balance as at 31 March 2008</b>	<u>298,323</u>	<u>-</u>	<u>(87,508)</u>	<u>210,815</u>
Net profit for the period	-	-	831	831
Dividends	-	-	(1,790)	(1,790)
Currency translation differences	-	121	-	121
<b>Balance as at 30 September 2008</b>	<u>298,323</u>	<u>121</u>	<u>(88,467)</u>	<u>209,977</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.**

Not applicable.

**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.**

Number of issued shares as at 31 March 2008: 243,199,998  
Number of issued shares as at 30 September 2008: 243,199,998

**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 our 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.**

There is no change in the accounting policies and methods of computation.

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 08 Hong Kong cents	6 months ended 30 Sep 07 Hong Kong cents
Earnings per ordinary share of the Group for the period based on net profit attributable to shareholders : -		
Based on 243,199,998 ordinary shares (30 Sep 07: 179,950,000*)	2.30	3.93
On a fully diluted basis	2.30	3.93

\* Based on the number of shares issued by the Company to the owners of the Acquired Group in respect of the reverse acquisition completed on 28 January 2008.

There is no dilution as there were no outstanding options.

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-08 Hong Kong cents	31-Mar-08 Hong Kong cents	30-Sep-08 Hong Kong cents	31-Mar-08 Hong Kong cents
Net Asset Value per ordinary share based on issued share capital of 243,199,998 (31-Mar-08: 243,199,998)	28.26	26.69	86.34	86.68

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 08		6 months ended 30 Sep 07		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Express Land Transport	62,137	95.86	55,326	96.36	6,811	12.31
Airfreight	2,681	4.14	2,090	3.64	591	28.28
<b>Total</b>	<b>64,818</b>	<b>100.00</b>	<b>57,416</b>	<b>100.00</b>	<b>7,402</b>	<b>12.89</b>

Overall revenue grew by 12.89%, for the 6 months ended 30 September 2008 compared to the corresponding period in 2007 on the back of the growth in China's import market which has remained relatively strong despite the current financial crisis. .

The express land transport division, engaged mainly in the provision of logistics services for the import of factory inputs and finished goods into China, continued to be the main income contributor for the Group. At the same time, the newly establish airfreight division that provides services catering to export of goods from China to the rest of the world, saw a significant growth.

b) Gross Profit and Cost of Sales

Gross Profit by division	6 months ended 30 Sep 08		6 months ended 30 Sep 07		Variance	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Express Land Transport	24,245	98.25	24,357	99.12	(112)	(0.46)
Airfreight	432	1.75	216	0.88	216	N.M.
<b>Total</b>	<b>24,677</b>	<b>100.00</b>	<b>24,573</b>	<b>100.00</b>	<b>104</b>	

  

Gross Margin by division	6 months ended 30 Sep 08		6 months ended 30 Sep 07		Variance	
	%		%		%	
Express Land Transport	39.02		44.02		(5.00)	
Airfreight	16.11		10.33		5.78	
<b>Total</b>	<b>38.07</b>		<b>42.80</b>		<b>(4.73)</b>	

Gross profit margin decreased by 4.73% from 42.80% in the previous half year to 38.07% for the current half year. The decrease was mainly due to a rise in the cost of customs clearances during the 2008 Beijing Olympics period. In the 3 months before the Olympics up to October 2008, additional security checks were imposed on goods carried into China. Such costs were passed on by the customs authorities in the form of higher customs handling charges. In addition, customs taxes were temporarily raised to discourage the inward movement of goods during the Olympics period. However, such measures were lifted in mid-October 2008 after the completion of the Paralympic Games. Customs taxes and handling charges have since returned to normal.

N.M. – Not Meaningful

**c) Other Income**

Compared to the same period in 2007, other income increased from HK\$0.25 million to HK\$1.04 million for the six months ended 30 September 2008. This was mainly due to gains on disposal of motor vehicles of HK\$823,000 compared with only HK\$30,000.

**d) Selling and Distribution Expenses**

Selling and distribution expenses rose 5.47% to HK\$2.62 million in line with the increase in revenue.

**e) Administrative Expenses**

Group administrative expenses increased by 20.17% to HK\$16.07 million largely due to Singapore Dollar denominated corporate expenses incurred by Sky One Holdings Limited ("SOHL"). There were no such expenses before as SOHL was not part of the Group then. Furthermore, in anticipation of more business activities, staff strength was increased during this period.

**f) Profitability**

Profit before tax decreased by 22.17% to HK\$6.96 million in the first half of this financial year compared to that of the previous year mainly due to the increase in customs clearances costs during the period around the Beijing Olympics as discussed in b) above. The increase in corporate expenses has also affected profits as discussed in e) above. Accordingly, profit after tax decreased by 20.92% to HK\$5.60 million. The effective tax rate of 19.6% is higher than the Hong Kong corporate tax rate of 16.5% due to expenses not deductible for tax purposes.

**g) Cash and Borrowings**

The group generated a net cash inflow from operations of HK\$4.28 million during the 6 months ended 30 September 2008. This was offset by payment in the current period of tax assessed for prior years totaling HK\$6.59 million. As at 30 September 2008, the Group had cash and cash equivalents of HK\$3.32 million.

During the first half of this financial year, the Group borrowed HK\$3 million of which HK\$2.76 million is outstanding as at 30 September 2008 (31 Mar 08: HK\$ Nil). The outstanding balance for the leasing of plant and machinery as at 30 September 2008 is HK\$0.51 million (31 Mar 08: HK\$0.73).

**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.**

During the six months ended 30 September 2008, costs of sales were affected by increased customs clearance costs. This occurred on a temporary basis, from the months leading up to the 2008 Beijing Olympics to mid-October 2008. The rise in costs was attributable to the increase in inspections, higher customs charges and taxes to discourage imports into China so as to ensure the smooth running of the Olympics. However, such costs have been lifted since the middle of October 2008 and are not expected to recur.

Despite the current financial crisis and expected slowdown of the world economy, the Group is still optimistic of its future prospects. The Chinese economy is still expected to grow, albeit at a slower pace than previously anticipated. The Group services a large and broad group of customers across different industry sectors and thus, is able to benefit from diversification of its sources of income.

As announced on 1 November 2008, the Group has entered into a Sales and Purchase Agreement for the proposed acquisition of JET INTERNATIONAL. The acquisition, if successful, will improve the Group's business in the following areas:

- i) Expand Sky One's logistics services business into the PRC Market
- ii) Widen Sky One's business network in China
- iii) Reduce reliance on third party service providers
- iv) Expand and diversify customer base further
- v) Acquire a PRC Class 1 Logistics Licence
- vi) Obtain immediate access to the Taiwan market
- vii) Obtain support for the business development of the Group.

**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial year reported on?

None.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

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

<b>Name of Dividend</b>	Final
<b>Dividend Type</b>	Cash
<b>Dividend rate</b>	0.78 Hong Kong cents per ordinary share (Tax Exempt – 1 Tier)
<b>Tax Rate</b>	Not applicable

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.

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

No dividend has been declared for this financial period.

By Order of the Board

Dicky Suen Yiu Chung  
Chief Executive Officer  
10 November 2008

**CONFIRMATION PURSUANT TO RULE 705(4) OF THE LISTING MANUAL**

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 results of the Group and the Company for the half year ended 30 September 2008 to be false or misleading in any material aspect.

On behalf of the Board

Dicky Suen Yiu Chung  
Director

Lau Hon Kit  
Director