



For Immediate Release

Sky One reported FY2009 Revenue of HK\$107 m; Net Profit of HK\$1.1 m

- Earnings hit by sharply lower volumes in 2HFY09, higher custom clearance costs due to the Beijing Olympics and higher corporate expenses
- Acquisition of Jet International, when completed, will significantly enhance the group's strategic positioning in the Chinese logistics market
- The Group expects FY2010 to be better

Year Ended 31 March	FY2009 HK\$ m	FY2008 HK\$ m	Chg %
Revenue	107.0	125.2	(14.6)
Cost of goods sold	(70.0)	(70.2)	(0.4)
Gross Profit	37.0	55.0	(32.8)
Other Income	1.0	0.5	89.6
Selling and Distribution Expenses	(5.9)	(5.2)	12.7
Administrative Expense	(29.9)	(26.2)	14.1
Finance Costs	(0.1)	(0.0)	> 100
Profit before tax	2.1	24.0	(91.4)
Net profit	1.1	19.0	(94.3)
Basic EPS* (HKcents)	0.45	9.95	
NAV/ share ⁺ (HKcents)	26.70	26.69	

* Based on weighted average of 243,199,998 ordinary shares (2008: 190,491,666).

+ Based on issued share capital of 243,199,998 (2008: 243,198,998)

xx May 2009 – Sky One Holdings Limited (天一控股有限公司) (“Sky One” or the Group), a Hong Kong-based total logistics provider listed on SGX-ST Catalist, has reported a 94.3% fall in net profit to HK\$1.1 million for the twelve months ended 31 March 2009 (FY2009). Group revenue was down 14.6% to HK\$107 million, mainly due to significantly lower volume of goods handled in the six months to 31 March 2009. Total volume of goods moved in FY2009 was 28.6% lower at 9.0 million kilograms, from 12.6 million kilograms in FY2008.

Global economies, including China, decelerated rapidly in the second half of FY 2009 on the back of the worsening financial crisis. This severely impacted sales to our customers in the manufacturing and trading sectors; sales slumped by more than 50% in the second half of FY2009 (October 2008 to March 2009) compared to the first half.

FY2009 gross profit declined 32.8% to HK\$37.0 million from HK\$55.0 million in FY2008. This was primarily due to the increase in custom taxes and higher custom handling charges during May to October 2008 as a result of the Beijing Olympics, and lower economies of scale resulting from the sharply lower volumes handled in 2HFY09. As a result, gross profit margin was 34.6% compared to 43.9% a year ago.

Other income, comprising mainly gains from disposal of motor vehicles, rose 89.6% from HK\$0.5 million to HK\$1.0 million. However selling and distribution expenses rose by 12.7% to HK\$5.9 million because of higher staff costs as Sky One had opened two branches in Hong Kong in FY2009. At the same time, administrative expenses increased by 14.1% due to the recognition of a full year of corporate and professional expenses incurred as a listed company, as compared to only two months of such expenses for FY2008. Consequently pretax profit fell 91.4% to HK\$2.1 million.

The Group has stepped up on efforts to collect payments from customers and reduce customers' credit terms whenever possible; trade and other receivables decreased by HK\$6.9 million to HK\$40.5 million. As a result cash generated from operations improved from HK\$5.8 million in FY2008 to HK\$11.4 million in FY2009. However this was partially offset by payment of HK\$9.4 million for FY2008 taxes and provisional taxes for FY2009. Sky One's cash holdings improved slightly to HK\$6.5 million as at 31 March 2009 from HK\$5.6 million previously. Gearing remains low at 3.8%.

"Global growth is expected to contract in 2009 and this creates a very challenging business environment for Sky One. However, we are heartened that governments worldwide have introduced various stimulus plans to help their economies recover. In November 2008, the Chinese government announced a 4 trillion yuan stimulus package to spur China's domestic spending and demand for consumer goods. These efforts augur well for our business; we are starting to see demand stabilize somewhat and a very gradual improvement in business. Coupled with the traditional pick up in retail sector nearer the end of the (calendar) year, we expect business activity to pick up further," said Mr. Dicky Suen (孙耀宗), Chief Executive Officer.

China's economic growth, although slower than last year, is still expected to outpace the other major economies. Sky One intends to expand further into the promising China logistics market, which is currently less developed and fragmented. The group recently received shareholders' approval for the acquisition of Jet International ("Jet"), a pioneer logistics provider in China, Hong Kong and Taiwan. Jet is also believed to be the largest private courier group in mainland China. It reported revenues of HK\$115.9 million and net profit of HK\$6.8 million in FY2007.

Mr. Suen added, "Jet is a very strategic acquisition for Sky One. When completed, it will significantly expand Sky One's market presence and customer base in China, reduce our reliance on third party service providers and contribute positively to the Group. Not only will we be able to cross-sell our services, we also believe that Sky One management will be able enhance the operations and profitability of the enlarged group in the future."

The Group expects FY2010 to be better than FY2009.

About Sky One Holdings Limited

Sky One Holdings Limited ("Sky One"/ 天一控股有限公司) was listed on SGX-ST Catalist on 28 January 2008 following the successful Reverse Takeover of Semitech Electronics Limited. Sky One is a total logistics solutions provider based in Hong Kong which specializes in courier and other logistics services between Hong Kong and Mainland China.

Sky One is principally engaged in the provision of integrated logistics services and customized solutions, delivery of goods from the airport terminal, seaports or distribution centres to the consignees' or customers' and vice versa. Its services include the provision of door-to-door, door-to-port and port-to-port transportation of air and sea cargo, freight and express courier services. Ancillary services include bulk breaking, sorting, labeling and packaging of goods, pick-up and delivery of letter and parcel-sized items, goods and bulk goods from Hong Kong to mainland China and customs tax clearance. Other related services include transportation management, airport cargo terminal handling, customized logistics services and other value-added services.

For more information, please visit <http://www.skyone-china.com>.

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