

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

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**PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF PT ENERGY INDONESIA RESOURCES**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Sky One Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company, together with its wholly-owned subsidiary, Sky One Network (Holding) Ltd (“**Sky One Network**”) (together, the “**Purchasers**” and each a “**Purchaser**”) had on 9 November 2011 entered into a sale and purchase agreement (the “**Agreement**”) with Nordiansyah Nasrie (“**Mr Nasrie**”) and Forrest Point Enterprises Limited (“**FPEL**”) (together, the “**Vendors**” and each a “**Vendor**”) (the Purchasers and the Vendors collectively, the “**Parties**” and each a “**Party**”) pursuant to which the Purchasers shall purchase from the Vendors an aggregate of 2,500 ordinary shares (the “**Sale Shares**”) representing the entire issued and paid-up share capital of PT Energy Indonesia Resources (“**PT Energy**”), for a purchase consideration amounting to S\$1,800,000 (the “**Proposed Acquisition**”).

Mr Nasrie and FPEL hold 2,475 and 25 Sale Shares respectively, representing approximately 99% and 1% of the issued and paid-up share capital of PT Energy respectively.

**2. INFORMATION ON PT ENERGY**

PT Energy was incorporated in the Republic of Indonesia (“**Indonesia**”) on 17 July 2006 and currently has a foreign direct investment status, for the purpose of carrying out the business of mining support activities. PT Energy is currently a dormant company but it is envisaged that after the Proposed Acquisition, it will commence mining support activities consisting of (i) the management of a stockpile facility, jetty and loading conveyor; (ii) the transportation of coal ore produced by customers to the stockpile facility and the loading/uploading of such coal ore to ships at the jetty; and (iii) other logistical support activities.

In preparation for the commencement of operations, PT Energy had entered into the following material contracts:-

- (a) A lease agreement dated 5 November 2009 (the “**Lease Agreement**”), to lease from PT Indo Perkasa (“**PTIP**”), a limited liability company incorporated in Indonesia, the following facilities:-
- (i) a stockpile, jetty and loading conveyor; and
  - (ii) a 31 kilometre road which connects the stockpile facility to the mining area of PT Rinjani Kartanegara (“**RK**”), a limited liability company incorporated in Indonesia with coal mining rights over certain parts of Indonesia (collectively, the “**Coal Production Facilities**”).

The lease payment under the Lease Agreement is based on the tonnage of coal transported and there is a minimum charge based on 30,000 metric tons per month. However, removal of the minimum charge is a condition precedent to the Proposed Acquisition. Please refer to paragraph (A)(i) of the Schedule appended to this announcement for further details.

The Lease Agreement further provides for a call option to PT Energy to purchase the management right to the 31 kilometre road, the stockpile, the jetty and the load conveyor facilities for US\$10,000,000.

The Lease Agreement is valid for 30 years and may be extended subject to mutual agreement of the parties.

- (b) A service agreement dated 11 May 2011 (the “**Service Agreement**”) for the provision of logistics services to RK using the facilities which are the subject of the Lease Agreement mentioned in (a) above.

### **3. KEY TERMS OF THE AGREEMENT**

#### **3.1 Purchase Consideration**

Subject to the terms of the Agreement, the purchase consideration for the acquisition of the Sale Shares shall be in cash amounting to S\$1,800,000 (the “**Consideration**”). The Consideration was determined based on arm’s length negotiations and arrived at on a willing-buyer and willing-seller basis, after taking into account, *inter alia*, the net assets and contracts in hand of PT Energy as well as the potential coal reserves of its customer, RK.

#### **3.2 Subscription for new Share Capital in PT Energy**

Pursuant to a principal license on the change of capital investment of PT Energy issued by the Indonesian Capital Investment Coordinating Board (the “**BKPM**”) under Minister of Energy and Mineral Resources Regulation No. 28 of 2009 dated September 30, 2009 regarding Minerals and Coal Mining Service Business Undertakings, PT Energy is required to increase its capital to at least Rp. 5,000,000,000. Consequently, upon the completion of the Proposed Acquisition, the Company will subscribe for new shares in PT Energy amounting to S\$700,000 in cash.

#### **3.3 Total Investment Outlay**

The total outlay for the Proposed Acquisition is to be in cash and applied as follows:-

Cash Consideration paid to Vendors	S\$1,800,000
Capital injection into PT Energy in the form of new shares	<u>S\$700,000</u>
Total cash outlay	<u>S\$2,500,000</u>

The total cost of the Proposed Acquisition is to be funded by way of a placement of up to 60,000,000 placement shares at an issue price of S\$0.050 (the “**Proposed Placement**”) as announced by the Company on 9 November 2011. Please refer to the Company’s announcement dated 9 November 2011 for further details on the Proposed Placement.

#### **3.4 Conditions Precedent**

The obligation of each of the Purchasers and Vendors to complete the closing of the Proposed Acquisition (the “**Closing**”) is subject to the fulfilment or waiver (if applicable) on or prior to the closing date of certain conditions. The key conditions are set out in the Schedule to this announcement.

#### 4. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition presents an opportunity for the Group to expand its range of logistics services as well as to move into a different market. The Proposed Acquisition will bring greater diversity into the Group's revenue mix as PT Energy serves coal mining enterprises located in Indonesia whereas currently, the Group's revenue primarily arises from manufacturers, traders and freight forwarders operating in Hong Kong. Barring unforeseen circumstances, the Directors believe the Proposed Acquisition will have a positive impact on the Group's revenue and profitability in the future.

#### 5. NET BOOK VALUE OF ASSETS BEING ACQUIRED

The unaudited net book value of the Sale Shares as at 31 August 2011 was approximately US\$250,000.

#### 6. DISCLOSABLE TRANSACTION

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Catalist Rules") and based on the latest announced unaudited consolidated financial statements of the Company for the six months ended 30 September 2011 are as follows:-

##### Bases in Rule 1006

(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not meaningful <sup>(1)</sup>
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	12.76% <sup>(2)</sup>
(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.	Not applicable
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	Not applicable

##### Notes:-

- (1) Not meaningful to compute as there are no profits attributable to PT Energy as it has not commenced operations.
- (2) Based on the Consideration of S\$1,800,000 and the market capitalisation of the Company as at 8 November 2011 (being the market day preceding the date of the Agreement) of S\$14,105,600.

As the relative figure computed on the basis set out in Rule 1006(c) of the Catalyst Rules exceeds 5% but does not exceed 75%, the Proposed Acquisition constitutes a “discloseable transaction” within the meaning of Rule 1010 (read together with Rule 1006) of the Catalyst Rules. Accordingly, shareholders’ approval is not required to be obtained for the Proposed Acquisition.

## 7. FINANCIAL EFFECTS

The financial effects of the Proposed Acquisition on the Group set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after the Closing. The financial effects set out below have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2011 (“FY2011”) and on the following key assumptions:-

- (i) the Proposed Placement is fully subscribed and the placement shares are issued on 1 April 2010;
- (ii) the Proposed Acquisition and the S\$700,000 capital injection in PT Energy are funded by the net proceeds from the Proposed Placement;
- (iii) the balance of the net proceeds from the Proposed Placement is placed on a Singapore dollar non-interest bearing account;
- (iv) there is no foreign exchange gain or loss on the S\$700,000 capital injection in PT Energy and the balance of the net proceeds from the Proposed Placement;
- (v) the effect of the Proposed Acquisition on the earnings per share (“EPS”) of the Group shown below is based on the assumption that the Proposed Acquisition and the Proposed Placement had been effected at the beginning of FY2011; and
- (vi) the effect of the Proposed Acquisition on the net tangible assets (“NTA”) per share of the Group shown below is based on the assumption that the Proposed Acquisition and the Proposed Placement had been effected at the end of FY2011.

### 7.1 EPS

The effects of the Proposed Acquisition on the EPS of the Group for FY2011 are as follows:-

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit attributable to Shareholders (HK\$'000)	1,637	1,637 <sup>(1)</sup>
Weighted average number of shares ('000)	243,200	303,200
EPS (HK cents)	0.67	0.54

**Note:-**

- (1) Assuming that the Proposed Acquisition and the Proposed Placement had been effected at the beginning of FY2011, there are no profits attributable to PT Energy as it has not commenced operations.

## 7.2 NTA per share

The effects of the Proposed Acquisition on the NTA per share of the Group for FY2011 are as follows:-

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (HK\$'000)	39,800	48,596
Number of shares ('000)	243,200	303,200
NTA per share (HK cents)	16.37	16.03

## 8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholding interests in the Company (if any). To the best of the Directors' knowledge, there are no substantial shareholders of the Company who have any interest, direct or indirect, in the Proposed Acquisition. No person will be appointed to the Board in connection with the Proposed Acquisition and no service contracts in relation thereto will be entered into by the Company.

## 9. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Proposed Acquisition is subject to, *inter alia*, the fulfillment of the conditions of the Agreement, and are therefore advised to exercise caution when dealing or trading in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

Further announcements will be made by the Company as and when appropriate.

## 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 Acquisition, 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.

## 11. DOCUMENTS FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at the registered office of the Company located at 333 North Bridge Road #08-00 KH KEA Building Singapore 188721 for a period of three (3) months commencing from the date of this announcement.

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 Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor 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.*

**SCHEDULE**  
**CONDITIONS**

Closing of the Proposed Acquisition is subject to the fulfilment or waiver (if applicable) on or prior to the Closing Date of, *inter alia*:-

(A) Receipt by the Purchasers of:-

- (i) a copy of the amendment to the Lease Agreement to provide that PT Energy only needs to pay for usage of the Coal Production Facilities when it requires such facilities, and that the resolution of any disputes in connection therewith would be by arbitration in Indonesia in accordance with the Arbitration Rules of the Badan Arbitrase Nasional Indonesia (**BANI**) for the time being in force, executed by the parties thereto;
- (ii) a copy of the Service Agreement in such form and upon such terms and conditions acceptable to the Purchasers (acting reasonably), executed by the parties thereto;
- (iii) a copy of the off-take agreement made between RK and a customer in respect of the first 600,000 tonnes of coal produced by RK in such form and upon such terms and conditions acceptable to the Purchasers (acting reasonably), executed by the parties thereto;
- (iv) an executed undertaking from RK to the Purchasers (the "**RK Undertaking**") in such form and upon such terms and conditions acceptable to the Purchasers incorporating the following terms:-
  - (a) an undertaking by RK to use best efforts to produce and sell at least 50,000 tonnes of coal by the first quarter of 2012 and thereafter to produce and sell at least 50,000 tonnes of coal per month;
  - (b) an irrevocable option (the "**RK Option**") granted by RK to the Purchasers to require RK to acquire the Sale Shares from the Purchasers or such other person appointed by the Purchasers to hold the Sale Shares for the price of S\$2,750,000 (less any of the S\$700,000 (or the equivalent in IDR or such other currency as the Purchasers deem appropriate) (the "**Equity Amount**") remaining unpaid by the Purchasers), such acquisition to be completed within 60 days from the date of exercise of the RK Option by the Purchasers, upon the occurrence of any of the following events:-
    - (1) RK fails to produce and sell a total of at least 250,000 tonnes of coal during the calendar year 2012;
    - (2) RK fails to produce and sell a total of at least 500,000 tonnes of coal during the calendar year 2013; or
    - (3) RK fails to produce and sell a total of at least 750,000 tonnes of coal during the calendar year 2014,

such option to be exercisable by the Purchasers at their sole discretion for a period of six (6) months from the end of each relevant calendar year; and

- (c) an undertaking by RK to use best efforts to fulfil all its obligations under the Service Agreement,

such undertaking to be governed by Indonesian law, and to provide that any dispute arising out of or in connection with such undertaking, including any question regarding its existence, validity or termination, to be referred to and finally resolved by arbitration in Indonesia in accordance with the Arbitration Rules of the BANI for the time being in force; and

- (v) an executed undertaking from PTIP to the Purchasers and PT Energy:-
  - (a) to use best efforts to complete the setting up of all the Coal Production Facilities (where applicable):-
    - (1) to the satisfaction of the Purchasers and PT Energy; and
    - (2) to enable PT Energy to fulfil its obligations under the Service Agreement;
  - (b) to use best efforts to procure and ensure that such facilities be in operation by 31 December 2011;
  - (c) containing the following representations and undertakings from PTIP:-
    - (1) that PTIP owns all rights, title and interests in or to the Coal Production Facilities and has the unconditional right to lease the Coal Production Facilities to PT Energy;
    - (2) that there are no restrictions or limitations contained in the licenses or other documents relating to the Coal Production Facilities that would restrict or prevent any of the Parties from fulfilling their respective obligations under the Agreement;
    - (3) that PTIP is not in violation of any applicable law, statute, code, ordinance, regulation, policy, treaty, international agreement, judgment or order issued by any ministry, department, agency and instrumentality (including sub-divisions thereof) of the governments (whether national, regional, provincial or district) of the applicable jurisdictions and has not received notice that any such violation is being or may be alleged;
    - (4) that the entry into and performance of the Lease Agreement by the parties thereto is not being prohibited or restricted by and is not in conflict with or will not result in any breach of or non-compliance with any applicable law, statute, code, ordinance, regulation, policy, treaty, international agreement, judgment or order issued by any ministry, department, agency and instrumentality (including sub-divisions thereof) of the governments

(whether national, regional, provincial or district) of the applicable jurisdictions; and

- (5) that there is no material adverse change (as may be determined by the Purchasers acting reasonably), since 31 August 2011, in the business, assets, liabilities, prospects, operations or condition (in each case as applicable) of the Coal Production Facilities,

such undertaking to be governed by Indonesian law, and to provide that any dispute arising out of or in connection with such undertaking, including any question regarding its existence, validity or termination, to be referred to and finally resolved by arbitration in Indonesia in accordance with the Arbitration Rules of the BANI for the time being in force;

- (vi) an executed guarantee and indemnity from Agus Sugiono (the “**Guarantor**”) to the Purchasers in such form and upon such terms and conditions acceptable to the Purchasers incorporating the following terms:-

- (a) the Guarantor irrevocably and unconditionally guarantees to the Purchasers the due and punctual performance by RK of all its obligations under the RK Undertaking (which shall include the RK Option), and undertakes to the Purchasers that if RK shall fail or neglect in any respect to fulfil, or shall be in breach or default of any of its said obligations under the RK Undertaking (which shall include the RK Option), the Guarantor shall be liable to the Purchasers as if he was the party principally bound thereby;

- (b) the Guarantor undertakes to indemnify and keep indemnified the Purchasers on demand from and against any and all losses, damages, costs (including legal costs on a full indemnity basis), expenses, interests (both before and after judgment), charges, actions, proceedings, claims and demands of whatsoever nature which may be suffered or incurred by the Purchasers at any time by reason of or arising in respect of:-

- (1) any default on the part of RK or the Guarantor in the due performance of its obligations under the RK Undertaking (which shall include the RK Option) and the obligations referred to in paragraph (A)(vi)(a) above respectively, provided that the maximum aggregate liability of the Guarantor in respect of the indemnity under this paragraph (A)(vi)(b)(1) shall not exceed S\$2,750,000 (less any Equity Amount remaining unpaid by the Purchasers), and provided further that the Guarantor will not be required to indemnify the Purchasers under this paragraph (A)(vi)(b)(1) if it performs RK’s obligations under the RK Undertaking (which shall include the RK Option) to the reasonable satisfaction of the Purchasers; and

- (2) PT Energy having any actual or contingent liabilities prior to Closing, which were not fully disclosed to the Purchasers prior to Closing;
  - (c) the Guarantor undertakes that it shall, promptly and without delay, inform the Purchasers and PT Energy in the event of any breach by RK under the Service Agreement, and to:-
    - (1) indemnify PT Energy on demand from and against any and all losses, damages, costs (including legal costs on a full indemnity basis), expenses, interests (both before and after judgment), charges, actions, proceedings, claims and demands of whatsoever nature which may be suffered or incurred by PT Energy at any time as a result of or arising in respect of any such breach; or
    - (2) alternatively at the Purchaser's option, acquire the Sale Shares from the Purchasers or such other person appointed by the Purchasers to hold the Sale Shares for the price of S\$2,750,000 (less any Equity Amount remaining unpaid by the Purchasers),  
  
provided that such breach shall be deemed not to have occurred if the breach is remedied to the reasonable satisfaction of the Purchaser by the Guarantor within 60 days after the date of the Purchaser giving notice to the Guarantor; and
  - (d) such deed of guarantee and indemnity shall be governed by Indonesian law, and any dispute arising out of or in connection with such guarantee, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration in Indonesia in accordance with the Arbitration Rules of the BANI for the time being in force;
- (B) The necessary approvals and consents having been granted by BKPM in respect of the sale to and purchase of the Sale Shares by the Purchasers, as well as the increase in the authorised (if required) and issued share capital of PT Energy after the occurrence of Closing, by S\$700,000 or the equivalent in IDR or such other currency as the Purchasers deem appropriate.