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

THE PROPOSED ACQUISITION BY THE COMPANY OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF ENERGY PRIMA PTE. LTD. – UPDATE ON THE PROPOSED PLACEMENT

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1. INTRODUCTION

The Board of Directors (the "**Board**" or the "**Directors**") of Sky One Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcements dated 9 May 2012, 28 September 2012, 10 October 2012, 25 September 2013, 1 July 2014, 30 September 2014, 1 October 2014, 27 October 2014, 31 October 2014 and 7 November 2014 (the "**Announcements**"), the Notice of Extraordinary General Meeting dated 30 September 2014 (the "**Notice of EGM**") as well as the shareholders' circular dated 30 September 2014 (the "**Circular**") despatched by the Company to the Shareholders in respect of, *inter alia,* the proposed acquisition by the Company of the entire issued and paid-up share capital of Energy Prima Pte. Ltd. (the "**Proposed Acquisition**").

Unless otherwise defined herein or the context requires otherwise, the capitalised terms used in this announcement shall have the same meaning ascribed to them in the Announcements, the Notice of EGM and the Circular.

2. EXECUTION OF THE UNDERWRITING AND PLACEMENT AGREEMENT

Further to Section 4.1 entitled "Details of the Proposed Placement" of the Circular, on 10 November 2014, the Company entered into an underwriting and placement agreement (the "**Underwriting and Placement Agreement**") with Canaccord Genuity Singapore Pte. Ltd., UOB Kay Hian Private Limited and the Relevant Vendors (namely, Madrone Enterprises Limited and Mr Ho Wen Yan), pursuant to which Canaccord Genuity Singapore Pte. Ltd. and UOB Kay Hian Private Limited have been appointed as the joint underwriters and joint placement agents (the "**Joint Underwriters**" or "**Joint Placement Agents**" or "**Joint Underwriters and Joint Placement Agents**") in respect of the placement of an aggregate of 83,000,000 New Placement Shares at the placement price of S$0.20 per Placement Share (the "**Placement Price**") which shall be fully underwritten for an aggregate gross amount of S$16.60 million and of an aggregate of up to 83,000,000 Vendor Placement Shares at the Placement Price to be sold on a best efforts basis (the "**Placement**").

The New Placement Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing Shares for any dividends, rights, entitlements, allotments or other distributions, save that it shall not rank for any dividends, rights, entitlements, allotments or distributions (if any), the record date in respect of which falls prior to the date of issue of the New Placement Shares.

The Vendor Placement Shares, which will be allotted and issued to the Relevant Vendors pursuant to the Proposed Acquisition (for which the requisite Shareholders' approval has been obtained), will, upon transfer, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, entitlements, allotments or other distributions, save that it shall not rank for any dividends, rights, entitlements, allotments or distributions (if any), the record date in respect of which falls prior to the date of transfer of the Vendor Placement Shares.

3. UNDERWRITING AND PLACEMENT ARRANGEMENTS

3.1 Underwriting and Placement obligations

Pursuant to the Underwriting and Placement Agreement:

(i) in respect of the New Placement Shares, the Company has agreed to allot and issue the New Placement Shares, and each of the Joint Underwriters and Joint Placement Agents has agreed to procure subscriptions for the New Placement Shares at the Placement Price in accordance with the Underwriting and Placement Agreement and which shall be fully underwritten, severally (and not jointly), by the Joint Underwriters and Joint Placement Agents in the proportion as set out in the Underwriting and Placement Agreement (the "**Joint Underwriters' and Joint Placement Agents' Agreed Proportion**"), for an aggregate gross amount of S$16.60 million; and

(ii) in respect of the Vendor Placement Shares, the Relevant Vendors have agreed to sell the Vendor Placement Shares at the Placement Price in accordance with the Underwriting and Placement Agreement and such sale to be undertaken on a best efforts basis, severally (and not jointly), by the Joint Placement Agents in the Joint Underwriters' and Joint Placement Agents' Agreed Proportion.

3.2 Commission

Pursuant to the Underwriting and Placement Agreement, in respect of the New Placement Shares, pursuant and subject to the terms of the Underwriting and Placement Agreement (and in the Joint Underwriters' and Joint Placement Agents' Agreed Proportion, as applicable):-

(i) in consideration of the Joint Placement Agents procuring subscribers for the New Placement Shares, the Company shall pay to the Joint Placement Agents a placement commission of 3.5% of the Placement Price for each New Placement Share (and if applicable, goods and services tax thereon), procured subscription for by the Joint Placement Agents, according to the relevant number of New Placement Shares issued through the Joint Placement Agents pursuant to the Placement; and

(ii) in the event of an under-subscription, in consideration of the Joint Underwriters subscribing for the New Placement Shares in the Joint Underwriters' and Joint Placement Agents' Agreed Proportion, the Company shall pay to the Joint Underwriters an underwriting commission of 3.5% of the Placement Price for each New Placement Share (and if applicable, goods and services tax thereon), subscribed for by the Joint Underwriters, according to the relevant number of New Placement Shares subscribed for by the Joint Underwriters pursuant to the Placement.

In respect of the Vendor Placement Shares, pursuant and subject to the terms of the Underwriting and Placement Agreement (and in the Joint Underwriters' and Joint Placement Agents' Agreed Proportion, as applicable), in consideration of the Joint Placement Agents procuring purchasers for the Vendor Placement Shares, the Relevant Vendors shall pay to the Joint Placement Agents a placement commission of 3.5% of the Placement Price for each Vendor Placement Share (and if applicable, goods and services tax thereon), procured purchasers for by the Joint Placement Agents, according to the relevant number of Vendor Placement Shares transferred through the Joint Placement Agents pursuant to the Placement.

3.3 Conditions

The obligations of the Joint Underwriters and Joint Placement Agents under the Underwriting and Placement Agreement (being several, and not joint) are conditional upon the performance by the Company and the Relevant Vendors of their respective obligations under the Underwriting and Placement Agreement and also upon, *inter alia*, the following:-

(a) the Offer Information Statement, which complies as to the form and content with the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares nand Debentures) Regulations 2005 ("**Offer Information Statement**"), being lodged with the SGX-ST acting as agent on behalf of the Authority;

(b) the listing and quotation notice for the listing of and quotation for the New Placement Shares on Catalist being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing of and quotation for the New Placement Shares on Catalist are required to be fulfilled on or before the completion date of the Placement ("**Completion Date**"), they are so fulfilled;

(c) the allotment, issue and subscription or sale of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Underwriting and Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company and the Relevant Vendors or the Joint Underwriters and Joint Placement Agents;

(d) there not having occurred, in the reasonable opinion of the Joint Underwriters and Joint Placement Agents, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Underwriting and Placement Agreement which, in the reasonable opinion of the Joint Underwriters and Joint Placement Agents, is or is reasonably likely to be materially adverse in the context of the Placement or is reasonably likely to prejudice materially the success of the Placement or dealings in the New Placement Shares in the secondary market; and

(e) the representations, warranties and undertakings in Clause 3 of the Underwriting and Placement Agreement (where relevant) remaining true and correct in all material respects as at the Completion Date and the Company and the Relevant Vendors having performed all of its respective obligations thereunder to be performed on or before the Completion Date.

The Company has on, 7 November 2014, received the listing and quotation notice from the SGX-ST in respect of the listing of and quotation for, the New Placement Shares on Catalist. The listing and quotation notice from the SGX-ST is not an indication of the merits of, *inter alia*, the Company, the Enlarged Group, the Sky One Group, the Target Group, their subsidiaries, the Placement, the Placement Shares and/or the Shares.

3.4 Use of Proceeds

The Company intends to use the entire net proceeds from the issue of the New Placement Shares for the following purposes:-

Purpose	Estimated amount (S$'000)	Per S$ of gross proceeds	As a percentage of gross proceeds from the Placement of all the New Placement Shares (%)
Carrying out civil works[(1)]	500	0.0301	3.01
Upgrading Coal Mining Facilities[(1)]	900	0.0542	5.42
Partial repayment of the existing debt due to CK[(2)]	10,000	0.6024	60.24
General working capital[(3)]	3,159	0.1903	19.03
Outstanding expenses[(4)]	1,460	0.0880	8.80
Underwriting and placement commission[(5)]	581	0.0350	3.50
Total	16,600	1.00	100.0

Notes:-

(1) Please refer to Section B9.4 of the Letter to Shareholders from the Board of Directors of the Target Company of the Circular entitled "Strategy and Future Plans" for further details on the use of proceeds.

(2) The Target Group intends to utilise S$10 million of the net proceeds from the Placement of New Placement Shares to repay part of the outstanding debt owing to its major supplier, CK, for coal mining services provided by CK to PT Rinjani pursuant to the Debt Settlement Agreement (as defined in the Circular). Please refer to Section B6.13 entitled "Major Suppliers" of the Circular for further details relating to the Debt Settlement Agreement and Note 31 (a) to the Financial Statements of Appendix C entitled "Consolidated Financial Statements of the Target Group for the Financial Years Ended 31 March 2012, 2013 and 2014" to the Circular for further information on the monthly repayment schedule.

(3) Working capital shall be used mainly for operating expenses of the Enlarged Group.

(4) Outstanding expenses comprise professional fees and other miscellaneous expenses incurred in relation to, *inter alia*, the Proposed Acquisition and the Placement of the New Placement Shares.

(5) Excluding applicable goods and services tax.

The Company will make periodic announcements as and when the proceeds from the issue of the New Placement Shares are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the Offer Information Statement. Where there is any material deviation from the stated use of proceeds, the Company will announce

the reasons for such deviation. The Company will also provide a status report on the use of the net proceeds in its annual report.

The Directors are of the opinion that after taking into consideration the Group's present internal resources, operating cashflows and present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above and as stated in Section 4.1 entitled "Details of the Proposed Placement" of the Circular, as the Target Group is in a net liabilities and negative working capital position as at 31 March 2014, the Company intends to raise additional funds of a gross amount of S$16.60 million via the Placement to provide the Enlarged Group with additional funds for the abovementioned use of proceeds.

3.5 Completion

It is intended that the completion of the Placement will take place concurrently with the Acquisition Completion, or such other date as the Company, the Relevant Vendors, the Joint Underwriters and Joint Placement Agents may agree.

4. OTHER CONDITIONS

The Placement will be carried out pursuant to the exemption under Section 277 of the Securities and Futures Act (Cap. 289) of Singapore. An Offer Information Statement will be lodged by the Company with the SGX-ST acting as agent on behalf of the Authority.

Pursuant to the Underwriting and Placement Agreement, the Joint Underwriters and Joint Placement Agents shall (severally and not jointly) to the best of its knowledge and belief, not offer the Placement Shares for sale to or procure subscriptions for the Placement Shares to any person in the categories set out in Rule 812(1) of the Catalist Rules.

None of the Placement Shares will be issued to any placees which will result in the placees holding a controlling interest (i.e. 15% of the enlarged issued and paid-up share capital of the Company) in the Company.

5. FURTHER ANNOUNCEMENTS

The Company will make such announcement(s) as may be necessary and/or appropriate in relation to the Placement, including but not limited to the lodgement of the Offer Information Statement and the completion of the Placement, in due course.

6. DIRECTORS' RESPONSIBILITY

The Directors (including those who have been delegated supervision of this announcement) 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 Placement and the Sky One Group, and the Directors are not aware of any facts the omission of which would make 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.

By Order of the Board
SKY ONE HOLDINGS LIMITED

Dicky Suen Yiu Chung
Chief Executive Officer and Executive Director

11 November 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("**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, Chief Executive Officer, 77 Robinson Road, #21-02 Singapore 068896, telephone (65) 6854 6156.