



OCEAN SKY INTERNATIONAL LIMITED

(Co. Regn. No. 198803225E)

Half Year Financial Statement Announcement for the Period Ended 30/06/2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	6 Months Ended		Incr/(Decr) %
	30/6/2020 S\$'000	30/6/2019 S\$'000	
Revenue	7,994	10,284	-22.3%
Cost of sales	(7,087)	(8,883)	-20.2%
Gross profit	907	1,401	-35.3%
Other income	667	79	744.3%
Administrative and other operating expenses	(1,901)	(1,694)	12.2%
Finance costs	(310)	(154)	101.3%
Share of results of joint ventures, net of tax	(742)	(858)	-13.5%
Loss before income tax	(1,379)	(1,226)	12.5%
Income tax expense	(38)	(55)	-30.9%
Loss for the financial period	(1,417)	(1,281)	10.6%
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss account			
- Exchange differences on translating foreign operations	648	(113)	
Other comprehensive income for the financial period, net of tax	648	(113)	
Total comprehensive income for the financial period	(769)	(1,394)	

Notes to the income statement:

Loss from operations includes the following:

Government grant	622	11
Interest income	45	68
Interest expenses	(310)	(154)
Depreciation of property, plant and equipment	(427)	(396)
(Loss)/Gain on foreign exchange (net)	(199)	93
(Loss)/Gain on disposal of property, plant and equipment	(12)	104
Write-off of plant and equipment and intangibles	-	1

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	30/6/2020 S\$'000	31/12/2019 S\$'000	30/6/2020 S\$'000	31/12/2019 S\$'000
Non-current assets				
Property, plant and equipment	11,892	12,315	296	358
Investment property	27,957	5,550	-	-
Investment in subsidiaries	-	-	48,025	38,431
Investment in joint ventures	16,063	16,321	-	-
	<u>55,912</u>	<u>34,186</u>	<u>48,321</u>	<u>38,789</u>
Current assets				
Inventories	217	224	-	-
Development property	6,503	6,503	-	-
Trade and other receivables	6,240	13,267	276	3,348
Cash and bank balances	12,584	18,231	8,614	15,446
	<u>25,544</u>	<u>38,225</u>	<u>8,890</u>	<u>18,794</u>
Current liabilities				
Trade and other payables	4,273	8,042	25,300	24,775
Provisions	600	506	-	-
Bank term loans	4,707	4,227	-	-
Lease liabilities	321	305	33	67
Current income tax payable	3,597	3,455	-	-
	<u>13,498</u>	<u>16,535</u>	<u>25,333</u>	<u>24,842</u>
Net current assets	<u>12,046</u>	<u>21,690</u>	<u>(16,443)</u>	<u>(6,048)</u>
Non-current liabilities				
Bank term loans	21,506	8,589	-	-
Lease liabilities	1,572	1,652	151	151
Deferred tax liabilities	117	103	-	-
	<u>23,195</u>	<u>10,344</u>	<u>151</u>	<u>151</u>
Net assets	<u>44,763</u>	<u>45,532</u>	<u>31,727</u>	<u>32,590</u>
Equity				
Share capital	55,167	55,167	55,167	55,167
Reserves	168	(480)	-	-
Accumulated losses	(10,572)	(9,155)	(23,440)	(22,577)
Equity attributable to owners of the parent	<u>44,763</u>	<u>45,532</u>	<u>31,727</u>	<u>32,590</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/6/2020		As at 31/12/2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
5,028	-	4,532	-

Amount repayable after one year

As at 30/6/2020		As at 31/12/2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
23,078	-	10,241	-

Details of any collateral

Finance lease liabilities are secured by rights to leased assets of plant, equipment and motor vehicles in Singapore.

Bank borrowings are secured by the legal mortgage in favour of the banks over :

- the factory cum office property in Singapore;
- the investment property in Singapore;
- the investment property in Australia; and
- the development property in Singapore.

1(c) A statement of cashflows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	6 Months Ended	
	30/6/2020	30/6/2019
	S\$'000	S\$'000
Operating activities		
Loss before income tax	(1,379)	(1,226)
Adjustments for:		
Depreciation of property, plant and equipment	427	396
Write-off of plant and equipment and intangibles	-	1
Loss/(Gain) on disposal of property, plant and	12	(104)
Unrealised foreign exchange loss/(gain)	131	(19)
Provision for defect liability	94	-
Interest expense	310	154
Interest income	(45)	(68)
Share of results of joint ventures	742	858
Operating profit before working capital changes	<u>292</u>	<u>(8)</u>
Working capital changes:		
Development property	-	(658)
Inventories	6	(73)
Trade and other receivables	3,957	282
Trade and other payables	(3,625)	(127)
Provisions	-	(61)
Cash generated from/(used in) operations	<u>630</u>	<u>(645)</u>
Income taxes paid	-	(15)
Net cash generated from/(used in) operating activities	<u>630</u>	<u>(660)</u>
Investing activities		
Purchase of property, plant and equipment	(37)	(112)
Acquisition of investment property	(19,337)	-
Proceeds from disposal of property, plant and equipment	21	106
Repayment of advances from joint ventures	-	147
Advances to joint ventures	(449)	-
Interest received	45	68
Net cash (used in)/generated from investing activities	<u>(19,757)</u>	<u>209</u>
Financing activities		
Interest paid	(310)	(154)
Proceeds from bank borrowings	13,537	820
Repayment of bank borrowings	(139)	(240)
Repayment of lease liabilities	(221)	(196)
Net cash generated from financing activities	<u>12,867</u>	<u>230</u>
Net change in cash and cash equivalents	(6,260)	(221)
Cash and cash equivalents at beginning of financial period	18,231	23,910
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	613	(110)
Cash and cash equivalents at end of financial period	<u>12,584</u>	<u>23,579</u>
Cash and cash equivalents comprise:		
Cash at banks and on hand	12,584	5,518
Short-term deposits	-	18,061
Cash and cash equivalents as per statement of financial position	<u>12,584</u>	<u>23,579</u>

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.

	Share capital	Foreign currency translation reserve	Revaluation reserve	Retained earnings / (Accumulated losses)	Equity attributable to owners of the parent
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Group</u>					
Balance at 1 January 2020	55,167	(601)	121	(9,155)	45,532
Total comprehensive income for the financial period	-	648	-	(1,417)	(769)
Balance at 30 June 2020	<u>55,167</u>	<u>47</u>	<u>121</u>	<u>(10,572)</u>	<u>44,763</u>
Balance at 1 January 2019	55,167	(413)	121	(791)	54,084
Total comprehensive income for the financial period	-	(113)	-	(1,281)	(1,394)
Balance at 30 June 2019	<u>55,167</u>	<u>(526)</u>	<u>121</u>	<u>(2,072)</u>	<u>52,690</u>
<u>The Company</u>					
Balance at 1 January 2020	55,167	-	-	(22,576)	32,591
Total comprehensive income for the financial period	-	-	-	(864)	(864)
Balance at 30 June 2020	<u>55,167</u>	<u>-</u>	<u>-</u>	<u>(23,440)</u>	<u>31,727</u>
Balance at 1 January 2019	55,167	-	-	(17,242)	37,925
Total comprehensive income for the financial period	-	-	-	(723)	(723)
Balance at 30 June 2019	<u>55,167</u>	<u>-</u>	<u>-</u>	<u>(17,965)</u>	<u>37,202</u>

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Issued and fully paid:	No. of shares	S\$'000
	Ordinary shares	
At 31 December 2019 and 30 June 2020	430,583,096	55,167

As at 30 June 2020 and 30 June 2019, the Company has 105,642,794 outstanding warrants convertible into 105,642,794 shares of the Company. The warrants will expire on 6 August 2021.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2020 and 30 June 2019.

No shares were bought back by the Company during the half year ended 30 June 2020.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year.

	30/6/2020	31/12/2019
The total number of issued ordinary shares excluding treasury shares	430,583,096	430,583,096

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.

There were no treasury shares held by the Company during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

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 as in the Group's most recently audited financial statements for the financial year ended 31 December 2019 except as disclosed in paragraph 5.

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.

The Group and the Company have adopted all the applicable new and revised SFRS(I) that become effective for accounting periods beginning 1 January 2020.

The adoption of these new and revised IFRS(I) does not have any material impact to the Group financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	6 Months Ended	
	30/06/2020	30/06/2019
Loss per share (based on the profit for the financial period):		
Based on the weighted average number of ordinary shares in issue	SGD Cents (0.329)	(0.298)
Weighted average number of ordinary shares in issue	430,583,096	430,583,096
On a fully diluted basis	SGD Cents (0.329)	(0.298)
Adjusted weighted average number of ordinary shares in issue	430,583,096 *	430,583,096 *

* The Group was in a loss-making position for the six months ended 30 June 2020 and 30 June 2019 respectively. As such, the potential ordinary shares to be converted arising from the outstanding warrants as at 30 June 2020 and 30 June 2019 were anti-dilutive (i.e. decrease the loss per share which is not meaningful).

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	30/6/2020 SGD Cents	31/12/2019 SGD Cents	30/6/2020 SGD Cents	31/12/2019 SGD Cents
Net asset value per ordinary share based on the existing issued share capital as at the end of respective periods	10.40	10.57	7.37	7.57

Net asset value per ordinary share is computed based on the number of issued ordinary shares of 430,583,096 as at 30 June 2020 and 31 December 2019 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) 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; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Company is a Singapore-based investment holding company with an interest in the civil engineering, construction and related services business ("**Construction and Engineering Business**"), and the business of property development, investment and management ("**Property Business**").

Statement of Comprehensive Income

Review of the Group performance for the 6 months ended 30 June 2020 ("**HYE2020**") as compared to previous corresponding period ended 30 June 2019 ("**HYE2019**")

	6 Months Ended			
	30/6/2020	30/6/2019	Incr/(Decr)	Incr/(Decr)
	S\$'000	S\$'000	S\$'000	%
Revenue from external customers				
- Construction and Engineering Business	7,383	10,152	(2,769)	-27.3%
- Property Business	611	132	479	362.9%
Total Revenue	7,994	10,284	(2,290)	-22.3%

The Group recorded a revenue of S\$7.99 million for HYE2020 compared with S\$10.28 million recorded for HYE2019. The decrease of revenue of S\$2.77 million under the Construction and Engineering Business to S\$7.38 million for HYE2020 from S\$10.15 million for HYE2019 was due to work at all projects were ceased since the imposition of circuit breaker by the Singapore government. In tandem, the cost of sales decreased by S\$1.80 million to S\$7.09 million for HYE2020 from S\$8.88 million for HYE2019. Higher rental income contributed by the newly acquired Melbourne investment property increased the revenue under the Property Business by S\$0.48 million to S\$0.61 million for HYE2020 from S\$0.13 million for HYE2019.

Other income, comprising government grants and interest income, increased by S\$0.59 million to S\$0.67 million for HYE2020 from S\$0.08 million for HYE2019 due mainly to the Job Support Scheme payouts by the Singapore government.

Administrative and other operating expenses increased by S\$0.21 million to S\$1.90 million for HYE2020 from S\$1.70 million for HYE2019, due mainly to :

- a) foreign exchange loss for HYE2020 as compared to foreign exchange gain for HYE2019; and
- b) loss on disposal of plant and equipment for HYE2020 as compared to gain on disposal of plant and equipment for HYE2019,

partly offset by lower staff cost in HYE2020.

Finance costs increased by S\$0.16 million to S\$0.31 million for HYE2020 from S\$0.15 million for HYE2019 due mainly to :

- a) loan taken to finance the acquisition of Melbourne investment property;
- b) interest on loans for the Nim Drive development property being expensed off after completion; and
- c) recognition of interest expense in relation to the amortisation of discount on lease liabilities.

Share of results of joint ventures was a loss of S\$0.74 million for HYE2020 as compared with a loss of S\$0.86 million for HYE2019. The decrease of S\$0.12 million was due mainly to lower marketing and promotional expenses incurred.

As a result of the foregoing, the Group registered a loss after income tax of S\$1.42 million for HYE2020, compared with a loss after income tax of S\$1.28 million for HYE2019.

Statement of Financial Position

Review of the Group's financial position as at 30 June 2020 as compared to 31 December 2019

Property, plant and equipment decreased to S\$11.89 million as at 30 June 2020 from S\$12.32 million as at 31 December 2019 due mainly to depreciation for the financial period.

Investment property increased to S\$27.96 million as at 30 June 2020 from S\$5.55 million as at 31 December 2019 due to completion of acquisition of the Melbourne investment property during the financial period.

Investment in joint ventures decreased to S\$16.06 million as at 30 June 2020 from S\$16.32 million as at 31 December 2019. This is due mainly to recognition of share of loss of joint ventures partly offset by advances extended to the joint ventures for the financial period.

Trade and other receivables decreased to S\$6.24 million as at 30 June 2020 from S\$13.27 million as at 31 December 2019 due mainly to lower revenue recorded by the Group's Construction and Engineering Business and reclassification of deposit paid for the acquisition of Melbourne investment property in fourth quarter of 2019 to Investment Property category during the financial period.

Trade and other payables decreased to S\$4.27 million as at 30 June 2020 from S\$8.04 million as at 31 December 2019 due mainly to lower purchases of construction materials and subcontractor costs, in tandem with the lower revenue recorded by the Group's Construction and Engineering Business for the financial period.

Provisions increased to S\$0.60 million as at 30 June 2020 from S\$0.51 million as at 31 December 2019 due to provision of defect liabilities for the completed projects during the financial period.

Total bank borrowings increased to S\$26.21 million as at 30 June 2020 from S\$12.82 million as at 31 December 2019 due to the new loan taken for the acquisition of the Melbourne investment property, partly offset by repayment for the financial period.

Total lease liabilities decreased to S\$1.89 million as at 30 June 2020 from S\$1.96 million as at 31 December 2019 due to repayment, partly offset by financing of purchases of plant and equipment for the financial period.

Statement of Cashflows

Review of the Group's cashflows for HYE2020

The Group generated net cash inflow from operating activities of S\$0.63 million for HYE2020 due mainly to operating profit before working capital changes of S\$0.29 million and net working capital inflow of S\$0.34 million.

The Group incurred net cash outflow from investing activities of S\$19.76 million for HYE2020 due mainly to advances extended to the joint ventures and balance of payment for the acquisition of the Melbourne investment property.

The Group generated net cash inflow from financing activities of S\$12.87 million for HYE2020 due to the new loan taken for the acquisition of the Melbourne investment property, partly offset by repayment of bank borrowings and obligations under leases, and payment of interest charges.

Overall, total cash and cash equivalents decreased from S\$18.23 million as at 31 December 2019 to S\$12.58 million as at 30 June 2020.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's performance for the period under review is in line with its expectations as disclosed in the announcement of results for the full year ended 31 December 2019 on 28 February 2020.

10. A commentary at the date of the announcement of the significant trends and 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.

The Board of Directors believes that while the broader long-term outlook for the construction and property industries is positive, the operating environment remains challenging over the next 12 months. Its views are underpinned by the following:

(a) Construction and Engineering Business

Many sectors of the economy including the construction sector have experienced severe disruptions following the outbreak of COVID-19. The disruption in the supply of manpower faced by the Group and its partners may result in lower volume of work performed and delays to work schedules. However, the situation is expected to improve as foreign worker dormitories are fully cleared in August 2020 and workers are progressively allowed to resume work thereafter.¹

The Group has implemented additional measures to manage its staff cost and will seek further assistance from the relevant government support measures to retain our capabilities and emerge stronger from the COVID-19 crisis.

The operating environment in the construction industry is expected to remain challenging with rising manpower costs and intense competition among local and overseas construction players. Moving forward, the Group will continue to focus on improving productivity and efficiency to enhance its competitiveness.

(b) Property Business

Cambodia

On the development of the 71-unit joint venture shop house project, Eco Garden Mall, sales initiatives for the project's first phase comprising 28 units are ongoing. In the meantime, a total of 21 units of the first phase have been fully or partially rented out to generate income for the Group in the near term.

Singapore

Despite the softened private residential market and disruptions caused by the COVID-19 pandemic, the Group remains focused on the smooth execution and delivery of its existing development projects.

Following the Phase 2 reopening after the circuit breaker, sales and marketing efforts for the Group's detached house development project at 6 Nim Drive and the Group's joint venture high-end residential condominium development projects, Sloane Residences and Cairnhill 16, have resumed.

The Group believes that the current headwinds are temporary and that the private residential market will remain attractive in the long term.

The Group's investment property at 17 Tuas View Close continues to provide a source of recurring rental income.

Australia

The Group has acquired a commercial investment property in Melbourne, Australia, which remains fully leased out as at the date of this announcement. The acquisition will broaden the Group's portfolio of investment properties, grow the Group's source of recurring rental income and further diversify the Group's revenue.

Moving forward, the Group will remain disciplined and focused in its strategy to broaden its property development and investment in Singapore and the Asia Pacific region to deliver long-term sustainable growth and value for shareholders.

¹MOM Media Release, 1 Aug 2020

11. Dividend

If a decision regarding dividend has been made :

(a) Whether an interim (final) dividend has been declared (recommended); and

No interim dividend has been declared for HYE2020.

(b) Amount per share (cents) and previous corresponding period (cents).

Not applicable. No dividend has been declared for HYE2019.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not Applicable.

(e) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for HYE2020 as the Company currently does not have profits available for the declaration of a dividend.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs.

There was no interested person transaction during the period under review.

14. Use of proceeds.

An aggregate of 105,642,794 Rights Shares and 105,642,794 Warrants have been allotted and issued by the Company on 6 August 2018 and 7 August 2018, respectively, pursuant to the Rights cum Warrants Issue. The Company has raised net proceeds of approximately S\$6.30 million (after deducting estimated costs and expenses incurred in connection with the Rights cum Warrants Issue of approximately S\$0.25 million) from the allotment and issuance of 105,642,794 Rights Shares.

No Warrants have been exercised as at the date of this announcement.

As at the date of this announcement, the proceeds have been fully utilised as follows:

Purpose	Amount allocated S\$'000	Amount utilised S\$'000	Balance S\$'000
Expanding business of the Group, financing business venture through acquisition and/or strategic investments in project and land development	6,300	6,300	0
Total	6,300	6,300	0

The above utilisation is in accordance with the intended use of proceeds from Rights cum Warrants Issue as stated in the announcement dated 22 May 2018.

15. Disclosure of Acquisition (including incorporations) and sale of shares under Catalist Rule 706A.

On 15 January 2020, the subsidiary of the Company, Ocean Sky Properties Pte. Ltd., incorporated 2 wholly-owned subsidiaries in Australia namely, Ocean Sky Properties (AUS) Holdings Pty. Ltd. and Ocean Sky Properties (AUS) Pty. Ltd., with issued and paid up capital of A\$100 comprising 100 ordinary shares in each of the subsidiary. Please refer to the announcement dated 15 January 2020 for further details.

On 5 February 2020, Ocean Sky Properties (AUS) Holdings Pty. Ltd. established a trust, Ocean Sky Properties (541 Blackburn) Trust, in Australia with an issued and paid up capital of A\$100 comprising 100 ordinary units. Please refer to the announcement dated 6 February 2020 for further details.

16. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules.

We, Ang Boon Cheow Edward and Chia Boon Kuah, being directors of the Company, do hereby confirm on behalf of the board of directors of the Company that, to the best of its knowledge, nothing has come to the attention of the board which may render the unaudited financial results for the period under review to be false or misleading in any material respect.

On behalf of the board of directors

Ang Boon Cheow Edward

Chia Boon Kuah

17. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7H.

BY ORDER OF THE BOARD

Chia Yau Leong
Company Secretary

13 August 2020

Sponsor's Statement

This announcement has been prepared by Ocean Sky International Limited (the "Company") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.