



OCEAN SKY INTERNATIONAL LIMITED

(Co. Regn. No. 198803225E)

Full Year Financial Statement Announcement for the Year Ended 31/12/2020

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

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.

	Financial Year Ended		Incr/(Decr) %
	31/12/2020 S\$'000	31/12/2019 S\$'000	
Revenue	23,954	23,819	0.6%
Cost of Sales	(22,340)	(21,621)	3.3%
Gross profit	1,614	2,198	-26.6%
Other income	1,792	449	299.1%
Administrative and other operating expenses	(5,374)	(8,719)	-38.4%
Finance costs	(675)	(404)	67.1%
Share of loss of joint ventures, net of tax	(1,430)	(1,807)	-20.9%
Loss before income tax	(4,073)	(8,283)	-50.8%
Income tax expense	(197)	(81)	143.2%
Loss for the financial year	(4,270)	(8,364)	-48.9%
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
- Exchange differences on translating foreign operations	(504)	(188)	
Other comprehensive income for the financial year, net of tax	(504)	(188)	
Total comprehensive income for the financial year	(4,774)	(8,552)	

Notes to the income statement:

Loss from operations includes the following:

Interest income	29	218
Interest expenses	(675)	(404)
Government grants	1,708	19
Depreciation of property, plant and equipment	(1,088)	(866)
Plant and equipment written off	(1)	-
Gain on disposal of plant and equipment	2	212
Loss on disposal of investment property	(110)	-
Fair value loss on investment property	(2,138)	(50)
Impairment of goodwill	-	(4,755)
Loss allowance reversed for trade receivables, net	-	4
Reversal/(Provision) for contract losses	200	(100)
Provision for defect liabilities	(355)	(185)
Provision for defect liabilities written back	216	186
Provision for penalties and interest	(1,152)	-
Gain on foreign exchange, net	1,276	149
(Under)/Over provision of current income tax in prior years	(264)	29

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	
	31/12/2020 S\$'000	31/12/2019 S\$'000	31/12/2020 S\$'000	31/12/2019 S\$'000
Non-current assets				
Property, plant and equipment	11,353	12,315	239	358
Investment property	21,374	5,550	-	-
Investment in subsidiaries	-	-	37,851	38,431
Investment in joint ventures	16,153	16,321	-	-
	<u>48,880</u>	<u>34,186</u>	<u>38,090</u>	<u>38,789</u>
Current assets				
Inventories	176	224	-	-
Development property	-	6,503	-	-
Trade and other receivables	10,143	13,267	9,849	3,348
Cash and bank balances	20,575	18,231	9,088	15,446
	<u>30,894</u>	<u>38,225</u>	<u>18,937</u>	<u>18,794</u>
Less:				
Current liabilities				
Trade and other payables	8,376	8,042	24,030	24,775
Provisions	355	506	-	-
Bank term loans	1,249	4,227	-	-
Lease liabilities	201	305	65	67
Current income tax payable	3,630	3,455	-	-
	<u>13,811</u>	<u>16,535</u>	<u>24,095</u>	<u>24,842</u>
Net current assets/(liabilities)	<u>17,083</u>	<u>21,690</u>	<u>(5,158)</u>	<u>(6,048)</u>
Less:				
Non-current liabilities				
Bank term loans	23,598	8,589	-	-
Lease liabilities	1,571	1,652	84	151
Deferred tax liabilities	36	103	-	-
	<u>25,205</u>	<u>10,344</u>	<u>84</u>	<u>151</u>
Net assets	<u>40,758</u>	<u>45,532</u>	<u>32,848</u>	<u>32,590</u>
Equity				
Share capital	55,167	55,167	55,167	55,167
Reserves	(984)	(480)	-	-
Accumulated losses	(13,425)	(9,155)	(22,319)	(22,577)
Equity attributable to owners of the parent	<u>40,758</u>	<u>45,532</u>	<u>32,848</u>	<u>32,590</u>

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,110	318	4,511	-

Amount repayable after one year

As at 31/12/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
19,167	4,682	8,898	-

Details of any collaterals

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

As at 31 December 2020, bank borrowings are secured by the legal mortgage in favour of the banks over :

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

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

	Financial Year Ended	
	31/12/2020	31/12/2019
	S\$'000	S\$'000
Operating activities		
Loss before income tax	(4,073)	(8,283)
Adjustments for:		
Depreciation of property, plant and equipment	1,088	866
Fair value loss on investment property	2,138	50
Gain on disposal of plant and equipment	(2)	(212)
Plant and equipment written off	1	-
Impairment of goodwill	-	4,755
Interest expense	675	404
Interest income	(29)	(218)
Loss allowance reversed for third party trade receivables	-	(4)
Loss on disposal of investment property	50	-
Provision for defects liability	139	-
Provision for defects liability written back	-	(1)
(Reversal)/Provision for contract losses	(200)	100
Provision made for penalties and interest	1,152	-
Share of results of joint ventures	1,430	1,807
Unrealised foreign exchange gain	(93)	(40)
Operating cash flows before working capital changes	<u>2,276</u>	<u>(776)</u>
Working capital changes:		
Development property	6,503	(691)
Inventories	48	(108)
Trade and other receivables	71	(1,140)
Trade and other payables	(818)	2,326
Provisions	(90)	(12)
Cash generated from/(used in) operations	<u>7,990</u>	<u>(401)</u>
Income taxes paid	(14)	(14)
Net cash from/(used in) operating activities	<u>7,976</u>	<u>(415)</u>
Investing activities		
Purchase of property, plant and equipment	(151)	(1,262)
Proceeds from disposal of plant and equipment	26	240
Acquisition of investment property	(19,337)	-
Advances to joint ventures	(1,309)	(740)
Advance payment for acquisition of investment property	-	(3,070)
Proceeds from disposal of investment property	5,500	-
Interest received	29	218
Net cash used in investing activities	<u>(15,242)</u>	<u>(4,614)</u>
Financing activities		
Interest paid	(675)	(404)
Proceeds from bank borrowings	18,537	821
Proceeds from hire purchase	156	-
Repayment of bank borrowings	(7,286)	(395)
Repayment of lease liabilities	(341)	(502)
Net cash from/(used in) financing activities	<u>10,391</u>	<u>(480)</u>
Net change in cash and cash equivalents	3,125	(5,509)
Cash and cash equivalents at beginning of financial year	18,231	23,910
Effect of foreign exchange rate changes on cash and cash equivalents	(781)	(170)
Cash and cash equivalents at end of financial year	<u>20,575</u>	<u>18,231</u>
Cash and cash equivalents comprise:		
Cash on hand and bank balances	20,575	7,537
Fixed deposits	-	10,694
Cash and cash equivalents as per consolidated statement of cash flows	<u>20,575</u>	<u>18,231</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	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 year	-	(504)	-	(4,270)	(4,774)
Balance at 31 December 2020	55,167	(1,105)	121	(13,425)	40,758
Balance at 1 January 2019	55,167	(413)	121	(791)	54,084
Total comprehensive income for the financial year	-	(188)	-	(8,364)	(8,552)
Balance at 31 December 2019	55,167	(601)	121	(9,155)	45,532

	Share capital	Foreign currency translation reserve	Accumulated losses	Equity attributable to owners of the parent
	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Company</u>				
Balance at 1 January 2020	55,167	-	(22,577)	32,590
Total comprehensive income for the financial year	-	-	258	258
Balance at 31 December 2020	55,167	-	(22,319)	32,848
Balance at 1 January 2019	55,167	-	(17,242)	37,925
Total comprehensive income for the financial year	-	-	(5,335)	(5,335)
Balance at 31 December 2019	55,167	-	(22,577)	32,590

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 30 June 2020 and 31 December 2020	430,583,096	55,167

The Company had 105,642,794 outstanding warrants convertible into 105,642,794 shares of the Company as at 31 December 2020 and 31 December 2019 respectively. The warrants will expire on 6 August 2021. The Company did not have any treasury shares and subsidiary holdings as at 31 December 2020 and 31 December 2019 respectively.

No shares were bought back by the Company during the financial years ended 31 December 2020 and 31 December 2019 respectively.

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.

	31/12/2020	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, 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 modifications 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 applied the same accounting policies and methods of computation as in the Group's most recently audited annual financial statements for the financial year ended 31 December 2019, except as disclosed in Section 5 below.

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 SFRS(I) does not have any material impact to the Group's 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.

		Financial Year Ended	
		31/12/2020	31/12/2019
Loss per share (based on loss for the year):			
Based on the weighted average number of ordinary shares in issue	SGD Cents	-0.99	-1.94
Weighted average number of ordinary shares in issue		430,583,096	430,583,096
On a fully diluted basis	SGD Cents	-0.99	-1.94
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 financial years ended 31 December 2020 and 2019 respectively. As such, the potential ordinary shares to be converted arising from the outstanding warrants as at 31 December 2020 and 31 December 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 the total number of issued share excluding treasury shares of the issuer at the end of the:-

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

	GROUP		COMPANY	
	31/12/2020 SGD Cents	31/12/2019 SGD Cents	31/12/2020 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	9.47	10.57	7.63	7.57

Net asset value per ordinary share is computed based on the number of issued ordinary shares of 430,583,096 as at 31 December 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's performance for the financial year ended 31 December 2020 ("FY2020") as compared to previous financial year ended 31 December 2019 ("FY2019")

	Financial Year Ended		Incr/(Decr) S\$'000	Incr/(Decr) %
	FY2020 S\$'000	FY2019 S\$'000		
Revenue from external customers				
- Construction and Engineering Business	15,700	23,555	(7,855)	-33.3%
- Property Business	8,254	264	7,990	3026.5%
Total Revenue	23,954	23,819	135	0.6%

The Group recorded a revenue of S\$23.95 million for FY2020 compared with S\$23.82 million for FY2019.

Revenue from Construction and Engineering Business decreased by S\$7.86 million to S\$15.70 million for FY2020 from S\$23.56 million for FY2019 due mainly to the halting of all construction works and subsequent slow restart of construction activities during the circuit breaker and phase-1 reopening periods respectively. In tandem, the cost of sales for the Construction and Engineering Business decreased by S\$6.22 million to S\$15.40 million for FY2020 from S\$21.62 million for FY2019.

Revenue from Property Business increased by S\$7.99 million to S\$8.25 million for FY2020 from S\$0.26 million for FY2019 due to the sale of development property in Singapore and additional rental income arising from the newly acquired Melbourne investment property in FY2020.

Other income, comprising mainly government grants and interest income, increased by S\$1.34 million to S\$1.79 million for FY2020 from S\$0.45 million for FY2019 due mainly to the Job Support Scheme payouts and Foreign Worker Levy rebates by the Singapore Government during the financial year.

Statement of Comprehensive Income

Administrative and other operating expenses decreased by S\$3.35 million to S\$5.37 million for FY2020 from S\$8.72 million for FY2019, due mainly to :

- a) absence of impairment of goodwill;
- b) higher foreign exchange gain; and
- c) lower staff cost

partly offset by higher fair value loss on investment property and provision of related tax penalties and interest.

Finance costs increased by S\$0.28 million to S\$0.68 million for FY2020 from S\$0.40 million for FY2019 due mainly to new loans taken to finance the acquisition of Melbourne investment property and bridging loan for working capital purposes.

Share of results of joint ventures was a loss of S\$1.43 million for FY2020 as compared with a loss of S\$1.81 million for FY2019. The decrease of S\$0.38 million was due mainly to lower marketing and promotional expenses incurred.

Income tax expense increased by S\$0.12 million to S\$0.20 million for FY2020 from S\$0.08 million for FY2019 due mainly to under-provision of prior years' income taxes.

As a result of the foregoing, the Group registered a loss after income tax of S\$4.27 million for FY2020, compared with a loss after income tax of S\$8.36 million for FY2019.

Statement of Financial Position

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

Property, plant and equipment decreased to S\$11.35 million as at 31 December 2020 from S\$12.32 million as at 31 December 2019 due mainly to depreciation, partly offset by the additions of new plant and equipment for the financial year.

Investment property increased to S\$21.37 million as at 31 December 2020 from S\$5.55 million as at 31 December 2019 due to the completion of acquisition of investment property in Melbourne, partly offset by the disposal of the investment property in Singapore during the financial year.

Investment in joint ventures decreased to S\$16.15 million as at 31 December 2020 from S\$16.32 million as at 31 December 2019 due mainly to recognition of share of loss of joint ventures, partly offset by advances extended to the joint ventures for the financial year.

The development property at 6 Nim Drive, Singapore has been sold during the financial year.

Trade and other receivables decreased to S\$10.14 million as at 31 December 2020 from S\$13.27 million as at 31 December 2019 due mainly to lower revenue recorded by the Group's construction and engineering segment and reclassification of deposit paid for the acquisition of commercial property in Melbourne, Australia in fourth quarter of 2019 from "Trade and other receivables" to "Investment property" upon completion of acquisition during the financial year.

Trade and other payables increased to S\$8.38 million as at 31 December 2020 from S\$8.04 million as at 31 December 2019 due mainly to additional provision for related penalties and interests arising from a subsidiary in Cambodia, partly offset by lower purchases of construction materials, subcontractor costs and bonus provision for the financial year.

Provisions decreased to S\$0.36 million as at 31 December 2020 from S\$0.51 million as at 31 December 2019 due to the reversal of provision for contract losses, partly offset by increase in provision of defects liability for the completed projects during the financial year.

Total bank term loans increased to S\$24.85 million as at 31 December 2020 from S\$12.82 million as at 31 December 2019 due mainly to the new loans taken for acquisition of investment property in Melbourne and for working capital purposes, partly offset by repayment and full settlement of property and construction loans upon disposal of the investment and development properties during the financial year.

Total lease liabilities decreased to S\$1.77 million as at 31 December 2020 from S\$1.96 million as at 31 December 2019 due to repayment, partly offset by financing of purchases of plant and equipment during the financial year.

Statement of Cashflows

Review of the Group's cashflows for FY2020

The Group generated net cash inflow from operating activities of S\$7.98 million for FY2020 due mainly to operating profit before working capital changes of S\$2.28 million and net working capital inflow of S\$5.70 million.

The Group incurred net cash outflow from investing activities of S\$15.24 million for FY2020 due mainly to loans extended to the joint venture projects and balance of payment for the acquisition of the Melbourne investment property, partly offset by proceeds received from disposal of investment property.

The Group generated net cash inflow from financing activities of S\$10.39 million for FY2020 due mainly to the new loans taken to finance the acquisition of investment property in Melbourne and for working capital purposes, partly offset by repayment of bank borrowings and obligations under leases, and payment of interest charges.

Overall, total cash and cash equivalents increased from S\$18.23 million as at 31 December 2019 to S\$20.58 million as at 31 December 2020.

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

The Company had on 18 February 2021 issued a profit guidance announcement and the results for the full year financial results ended 31 December 2020 is consistent with the guidance issued.

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

The Building and Construction Authority (BCA) has projected that the total construction demand in 2021 is expected to range between S\$23 billion and S\$28 billion, an improvement from the S\$21.3 billion in 2020¹. As reported in BCA's press release dated 18 January 2021, the public sector is expected to drive the construction demand in 2021, to between S\$15 billion and S\$18 billion with an anticipated stronger demand for public housing and infrastructure projects. Some of the upcoming major public sector projects scheduled to be awarded this year include various contracts under the Jurong Region MRT Line, the Cross Island MRT Line Phase 1 and the Deep Tunnel Sewerage System Phase 2.

The Group expects the cost of construction and other operating costs to continue on an uptrend amidst the challenging operating environment in the construction industry in the next 12 months. The pace of resumption of the construction activity has been progressing well but is still expected to continue to be limited by manpower deployment challenges and higher cost and time resources needed to comply with COVID-safe management measures. Amidst the evolving COVID-19 situation in the region, the supply chain for materials may also be disrupted.

Moving forward, the Group will continue to focus on improving productivity and efficiency to enhance its competitiveness. The Group remains fully committed to the smooth execution and delivery of its existing projects.

¹ <https://www1.bca.gov.sg/about-us/news-and-publications/media-releases/2021/01/18/public-sector-construction-demand-to-support-the-sector's-recovery>

(b) Property Business

Cambodia

The sales of the first phase comprising 28 units of the development of the 71-unit joint venture shop house project, Eco Garden Mall, is ongoing. Currently, 23 units of the first phase units have been fully or partially rented out to generate income for the Group in the near term.

Singapore

According to the price index for private residential property for 4th Quarter 2020 as released by the Urban Redevelopment Authority (URA) on 22 January 2021², the overall private residential property index increased by 2.1% from 153.8 points in 3rd Quarter 2020 to 157.0 points in 4th Quarter 2020. In particular, prices of non-landed private residential properties in the Core Central Region (CCR) increased by 3.2%, compared to the 3.8% decrease in the previous quarter.

Notwithstanding this, the Group is mindful of the upcoming launches in the CCR and will work closely with its joint venture partners to maximise value of the development projects under the prevailing market conditions.

The Group will continue to take active steps to ensure the smooth execution and delivery of its existing development projects.

² <https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr21-02>

Australia

The Group's investment property in Melbourne, Australia is currently fully leased and will continue to provide a source of recurring rental income.

Two key tenants, each occupying approximately 34% and 13% of total net lettable area ("NLA"), will have their existing lease due for renewal in September 2021 and December 2021 respectively. The Group will take an active approach to engage the tenants early on the renewals to maintain full occupancy and prevent any gaps in rental income.

In line with the Group's long-term strategy to diversify its earnings and build a recurring income stream, the Group will continue to explore business opportunities in Singapore and the Asia Pacific region to widen its foothold in property development and investment, to deliver long-term sustainable growth and value for shareholders.

11. Dividend

If a decision regarding dividend has been made:

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

No interim or final dividend has been declared for FY2020.

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

Not applicable. No interim or final dividend has been declared for FY2019.

(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 Transfers received 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 final dividend has been declared/recommendeded 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. 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).

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.

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

Not applicable. The Company did not acquire or dispose shares in any companies during the half year ended 31 December 2020.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Construction and engineering S\$'000	Property S\$'000	Unallocated S\$'000	Consolidated S\$'000
2020				
Revenue				
Revenue from external customers	15,700	8,254	-	23,954
Total revenue	<u>15,700</u>	<u>8,254</u>	<u>-</u>	<u>23,954</u>
Results				
Segment results	1,252	(196)	173	1,229
Interest income	-	-	29	29
Interest expense	(211)	(452)	(12)	(675)
Depreciation of property, plant and equipment	(959)	-	(129)	(1,088)
Fair value loss on investment property	-	(2,138)	-	(2,138)
Share of loss of joint ventures	-	(1,430)	-	(1,430)
Loss before income tax	<u>82</u>	<u>(4,216)</u>	<u>61</u>	<u>(4,073)</u>
Income tax expense				(197)
Loss for the financial year				<u>(4,270)</u>
Capital expenditure				
Additions to non-current assets	141	22,407	10	22,558
Assets and liabilities				
Segment assets	31,146	39,145	9,483	79,774
Segment liabilities	<u>19,003</u>	<u>19,342</u>	<u>635</u>	<u>38,980</u>
Deferred tax liabilities				36
Total liabilities				<u>39,016</u>
2019				
Revenue				
Revenue from external customers	23,555	264	-	23,819
Total revenue	<u>23,555</u>	<u>264</u>	<u>-</u>	<u>23,819</u>
Results				
Segment results	809	171	(1,599)	(619)
Interest income	-	-	218	218
Interest expense	(248)	(146)	(10)	(404)
Depreciation of property, plant and equipment	(750)	-	(116)	(866)
Fair value loss on investment property	-	(50)	-	(50)
Share of results of joint ventures	-	(1,807)	-	(1,807)
Impairment of goodwill	(4,755)	-	-	(4,755)
Loss before income tax	<u>(4,944)</u>	<u>(1,832)</u>	<u>(1,507)</u>	<u>(8,283)</u>
Income tax expense				(81)
Loss for the financial year				<u>(8,364)</u>
Capital expenditure				
Additions to non-current assets	1,354	-	202	1,556
Assets and liabilities				
Segment assets	24,683	31,842	15,886	72,411
Segment liabilities	<u>14,964</u>	<u>10,894</u>	<u>918</u>	<u>26,776</u>
Deferred tax liabilities				103
Total liabilities				<u>26,879</u>

Geographical information

	Singapore S\$'000	Australia S\$'000	Cambodia S\$'000	Consolidated S\$'000
Location of non-current assets				
2020				
Non-current assets	26,492	21,374	1,014	48,880
2019				
Non-current assets	33,149	-	1,037	34,186
Revenue by geographical market				
	Singapore S\$'000	Australia S\$'000	Cambodia S\$'000	Consolidated S\$'000
2020				
Construction and engineering	15,700	-	-	15,700
Property	7,100	1,154	-	8,254
2019				
Construction and engineering	23,555	-	-	23,555
Property	264	-	-	264

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please see review of performance in paragraph 8 above.

18. A breakdown of sales.

	31/12/2020 S\$'000	31/12/2019 S\$'000	Incr/(Decr) %
Sales reported for the first half year	7,994	10,284	-22.3%
Operating loss after tax reported for the first half year	(1,417)	(1,281)	10.6%
Sales reported for the second half year	15,960	13,535	17.9%
Operating loss after tax reported for the second half year	(2,853)	(7,083)	-59.7%

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	-	-
Preference	-	-
Total:	-	-

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ang Boon Cheow Edward	64	Brother of Mr Ang Boon Chong, substantial shareholder	Executive Chairman & CEO Year 1995	N.A.
Joanna Hoon Pang Heng	58	Wife of Mr Ang Boon Cheow Edward	Vice-President, Corporate Affairs Responsible for Group's corporate communications and investor relations functions. Year 2007	N.A.

BY ORDER OF THE BOARD

Chia Yau Leong
Company Secretary
1 March 2021

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 Catalyst.

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.

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